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THE UNFRIENDLY ATTITUDE OF THE UNITED STATES GOVERNMENT TOWARDS THE IMPERIAL VALLEY

April, 1907.

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By L. M. HOLT

THE

UNFRIENDLY ATTITUDE

OF THE

UNITED STATES GOVERNMENT

TOWARDS THE

IMPERIAL VALLEY

Speeches, Letters, Newspaper Clippings and Other Matter Covering Different Phases of the Relations that have Existed Since 1901 and 1902

Compiled for the Imperial Daily Standard

BY

L. M. HOLT

IMPERIAL DAILY STANDARD PRINT
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1907

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RECOMMENDS PUBLICATION

March 12, 1907.

Mr. L. M. Holt,

Los Angeles, Cal.

My Dear Sir:

I have read your manuscript under the heading "The Unfriendly Attitude of the United States Government Towards the Imperial Valley" and consider it a valuable collection of data, newspaper clippings, and speeches, relative to the great injury done to the Imperial Valley by officials of our government.

I think it should be published and given as wide circulation as possible.

Very truly yours,

C. W. Gleason

President, Imperial Water Co. No. 1.

A Recent Summary Made by the Imperial Daily Standard

The Imperial Standard of February 8, 1907, publishes a leading editorial on the relations of the Valley settlement with the government, past, present and future, from which we reproduce the following extracts, which seem to be a fair summary of the points made against the various departments of the government in this pamphlet:

Aside from minor matters, the people here know that the various departments of the government are primarily responsible for the conditions existing here.

They know that when the early promoters of the irrigation system were proceeding in good faith to build an irrigation system the bureau of soils made a report, so far as its effect on the public was concerned, **declaring this valley to be worthless.**

They know that **this report put an end to colonization** and drove out of the irrigation enterprise and out of the farming industry capital already invested.

They know that the reclamation service followed this report with an **attack on the finances of the California Development Company** by declaring that it had no right to take water from the Colorado river, thus further crippling the company and preventing it from proceeding with its work.

They know that although congress five years ago ordered a resurvey of this valley and later made an emergency appropriation to pay for the work, **nothing is being done to carry out the work,** and titles to the land are held up in consequence.

They know that but a few months since representatives of the reclamation service were **inciting trouble between this valley and the Mexican Republic.**

In spite of this persistent opposition, which at times has almost appeared like conspiracy between governmental bureaus to prevent the reclamation of this former desert, the people of Imperial valley are disposed to forget the past and meet the reclamation service half way in a plan for general development.

There are many of these people who fear that the reclamation service, if it acquires the rights and property of the California Development Company, will be in a position to say to the farmers:

"Sign the contract as we draw it, or go without water."

In effect, the head of the geological survey is quoted as saying the same thing, that the reclamation service would only take hold of this system **"with a free hand."** He is further quoted as saying that the work would cost **$30 an acre or more,** and that several years must lapse before the service can take up the work.

Senator Flint says it is not possible for the government to confiscate property. This is good law, nominally, but it can be made a fiction. If the reclamation service is put in a position where it can name the conditions under which the farmers can have water **they are empowered to do that which, to all intents, amounts to confiscation of property.**

The only possible assurance the farmers of this valley would have would be confidence in the disposition of the government to be just and liberal to its citizens.

We have a patriotic people here who have longed to receive from the government the recognition which a government should extend to law abiding citizens. **They have struggled along for five years in the faith that some day the government they love would put an end to**

the persecution they have suffered from branches of the government, which persecution is the primal cause of the trouble the valley has suffered.

When the government sent its navy to Jamaica to rescue a foreign people on foreign soil, many people felt that the government could afford to be equally liberal in assisting in saving the homes of thousands of its own citizens living on American soil. Here would be liberality, but the assurance comes from Washington that **the people of Imperial valley cannot expect the same generous treatment accorded foreigners.** The government can only give assistance in saving these homes providing the people guarantee that the money will be refunded.

Now, the people of Imperial valley, as stated above, relinquishing any hope of generosity from their government, are willing to meet the government half way in a policy which is based on common justice, but they cannot see the elements of justice in an act which says to the farmers of the valley:

"Turn your property over to the governmental bureau which has been opposing you for five years and see what the bureau does with it."

The Standard has hoped that there might be some declaration of policy from the reclamation service which would make it possible for the farmers to meet them and bring about an adjustment, but the statement reaching the valley indirectly that **the service demands a free hand, that the farmers would have to pay $30 an acre or more under the reclamation service project and that years would elapse before anything could be done** practically eliminates any possibility of the farmers and the service getting together, and leads the Standard to believe that, the government refusing to deal with the valley in a spirit of liberality, **it is preferable that there should be no legislation by congress.**

Simply let the matter rest on the basis that the American government refuses to be as generous to a stricken portion of its own citizens as it is to an unfortunate foreign people.

Lest We Forget---Points Worth Remembering in the History of the Imperial Valley

I. In 1900, owing to popular belief that the enterprise of the California Development Company was speculative and visionary in character, **no financial institution would loan it a dollar until the water had reached Imperial.**

II. As soon as the water did reach the Valley, in June, 1901, and the practicability of the enterprise had been successfully demonstrated, there were some cash payments made to the Company by the settlers, and the financial men and institutions of Los Angeles looked on the undertaking with such increasing favor, that **the California Development Company was rapidly establishing a sound financial standing.**

III. As early as August, 1901, there was much suspicion and distrust in the minds of investors and financiers on account of persistent rumors that **the soil of the Valley was so impregnated with alkali as to be worthless.**

IV. These rumors and suspicions culminated when in January, 1902, **officials of the Government gave out sensational interviews** condemning the Valley and virtually warning investors and settlers from the field.

V. On the appearance of the United States Government soil report and interviews given out by the Government officials to newspapers, **the financial credit of the California Development Company was for the time being absolutely destroyed.**

VI. During the succeeding eighteen months the Government soil expert's reports were demonstrated to be an **unjustifiable outrage on the Valley,** for it was amply proven that **less than one per cent of the Valley lands under cultivation was seriously injured by alkali deposits.** As a consequence of returning confidence the California Development Company was rapidly recovering from the terrible body blow given it by the soil report, and **was getting in shape to install permanent headworks when the next blow fell.**

VII. Immediately following the restoration of confidence, officials of the Reclamation Serv-

ice, **notably J. B. Lippincott, circulated extensively a report that the Colorado River was a navigable stream and therefore the settlers of the Imperial Valley had no right to use of it for irrigation.** This statement, put forth with the stamp of government authority, again destroyed the credit of the California Development Company, making it impossible for that Company to raise money to protect the Valley from summer floods.

VIII. The insincerity and, one might almost say, the vindictiveness of this attack is shown by the fact that **prior to that time government officials had filed on all the flood waters of the Colorado river** in order to fill four large reservoirs whose dams were to extend across the river, thus absolutely destroying its navigability; and since that time they have spent some $2,000,000 on their own Colorado irrigation system at the Laguna Dam.

IX. Congress was asked, in 1904, to confirm the water rights of the Company and settlers by declaring that the waters of the Colorado River were **more valuable for irrigation than for navigation purposes,** but the Reclamation Service opposed that move and the legislation asked was denied.

X. Reduced to extremities, the California Development Company then applied to the Mexican Government for the right to take water from the Colorado River in Mexican territory for use in the United States, so that it could make good its contracts with the Imperial settlers, and **was granted a valuable concession by President Diaz, which was ratified by the Mexican Congress.**

XI. The Company by this time had become so badly crippled financially by the attacks of the Reclamation Service that it could not put in proper protective headworks under the Mexican concession, and **the runaway Colorado River and Salton Sea resulted.**

XII. **The mistakes made by the Reclamation Service, under Supervising Engineer Lippincott,** in estimating the cost of the Laguna dam (the estimates being less than one-half of the actual cost so far as at present ascertained) have brought that proposed system into disrepute and **the owners of land thereunder fear that they may be bankrupted by the excessive cost per acre of the system**—the limit of which no one as yet knows.

Lastly. **The settlers in the Imperial Valley have been pioneers in good faith.** They have taken worthless government land and made it valuable and in so doing have paid much money to the Government of the United States. **They are entitled to immunity** at its hands from misguided paternalism, **from blunders of inexperienced experts, and from the chicanery of incompetent government engineers.**

Annual Report of I. W. Gleason, President of Imperial Water Company No. 1, Read at Meeting of Stockholders Held at Imperial, Tuesday, January 8, 1907

Imperial Water Company No. 1 embraces about one-half of the land now under cultivation in the Imperial Valley, and the President of this Company represents the sentiment of the settlers of the Valley probably to a greater extent than any other one man.

The following is his report in full:

Another agitation is now being stirred up by those who favor the reclamation department in the Imperial Valley.

It seems incredible to me that these men have not learned anything by past experience.

It was pointed out to them three years ago that to knock down and out the California Development Company without knowing that the reclamation department would immediately take possession of our supply system and operate it, might bring disaster to our interests, that we might be jumping out of the frying pan into the fire, and that every dollar knocked out of the California Development Company might result in knocking two out of the people of the valley.

But to cry down the California Development Company as a public enemy was very popular with some people at that time, and to cry down the capitalistic and non-resident class of our stockholders may be equally popular at this time, since it is thought by these men that they will be the main sufferers from the terms of the reclamation law.

But let us carefully consider this question and see if the disaster to this community would not be universal to all interests, and not confined to any special class of our stockholders.

We believe that the reclamation law is a beneficent law in the field where it was intended to operate, and for the purposes for which it was designed, that is, to make homes for the homeless on the remaining parts of the government domain that require irrigation.

But when this law is misapplied to a settled country it immediately comes in conflict with established and existing rights, and as now interpreted by those in charge, tends to destroy such rights and drive from the country all such men as would not settle there under the reclamation rules, and brings the community back in large degree to its former desert condition.

This might be favored by those in the community who had not acquired rights, but who hoped to get from those who had their property, at small cost. There might be some legal difficulties in the way of this wholesale confiscation of rights and property if these people who are to be the losers should refuse to sign away their rights, but even if it can be done there is still room for doubt whether or not the future and present prosperity of the community would be advanced thereby.

The writer has seen two new countries settled up under the homestead law, western Iowa and Dakota. The first settlers were those who had little means and undertook to secure a home on Uncle Sam's free domain. A large per cent of these first settlers made a failure and sold out at a small price and went back to "God's country" to become renters, or went further west. Little permanent prosperity came into the country until the arrival of that class who would not go into an entirely new country, but came later

with money, and, what is still more important, the energy and intellectual ability that gave them the money they brought.

The wonderful advancement we have seen in the Imperial Valley in spite of the opposition of government alkali reports, reclamation department officials, Colorado river rampages, international complications, and the meddling of agitators, has been due to the fact that this valley has been settled largely by men of this second class instead of the homesteader class who will settle under the reclamation projects.

The reclamation law applied to this valley will drive a large portion of these men out of the country, and I make the statement unqualifiedly that **these men can get along without Imperial Valley far better than Imperial Valley can get along without them.**

The statement is continually made that each of their places will be taken immediately by some half dozen families, but if all these resident families are waiting for a chance to come in what is keeping them away now? There is surely plenty of opportunity.

The fact is these resident families are not to be found. There is no doubt that they have been kept away by the difficulties we have got into, due not to the capitalist and non-resident class, but due largely to the knocking of the Reclamation officials and this same agitator class who have done their utmost to bring ruin upon the only existing means of securing water for this valley, and the resulting disaster upon all interests, now wish to drive out a large portion of the remaining financial ability, brain and energy of the community.

This is viewing only the materialistic side of the question, but from a moral standpoint, their action is even more reprehensible.

What right has any government official or any other man to demand of these people who have legitimately and righteoulsy acquired rights under the desert land law that they abandon such rights?

If the desert land law is not a good thing, let Congress repeal it, but **while it remains the law of the land it is nothing short of robbery to attempt to deprive American citizens of rights obtained thereunder.**

Such unholy action could never bring prosperity to Imperial Valley or any other country.

I have in my possession a letter from a citizen of the Yuma valley, from which the following is a quotation:

"I warn you and the people of Imperial, before having any business with the Reclamation Department, have everything in writing and signed by the Secretary of the Interior, as they have a faculty of brushing everything aside that don't suit them later on.

"They are adepts at promising, assuring sympathy, and promising the resources of the government to relieve your distressed condition, until they get you bound body and soul to their department. Then their process of setting aside begins; and if they treat you people in the same way they have the farmers of this valley, you had as well move out at once.

"Look to your own interests and take nothing for granted."

I have also in my possession a copy of a petition signed by 307 citizens of that valley, endorsed by the Chamber of Commerce and the Consolidated Water Users Association, an organization brought into existence since they signed up with the Reclamation Department, to try to get water to their lands and keep them from being driven out.

This petition beseeches the Secretary of the Interior to keep the promises made to them by the Reclamation officials and after waiting from March 19 to December 19, 1906, without getting any satisfaction they have gone back to them and denounced the Reclamation Engineers, the Secretary of the Interior and the Director of the Geological Survey in no uncertain language.

These people are just waking up to what they are up against and the fight is now on in good earnest behind the scenes, but they are making desperate efforts to keep everything placid on the surface.

If you had a clear deed to 1,000 acres in Yuma Valley today you could not hire a dollar because it is mortgaged for all it is worth to the government. These people have also deeded all their holdings in excess of 160 acres to the Reclamation Department and gave them the right to sell it at public auction as soon as the government water gets there.

They have been nursing the fond hope that they could sell it before that time at a good price just as the Reclamation officials told us we could do, but land that formerly sold at $15 an acre now has no takers at any old price.

Many are now holding for dear life to a 160 acres without means to develop it, expecting to sell 40, 80 or 120 for money to develop the remainder, but they are now coming to an understanding that the Reclamation law and their heavy burden now operates to keep out the men who have the means to buy, and they stand little show of realizing anything from any of these lands. They also understand that the cost of $5 or $6, for payments to the government and operating expenses annually comes upon

every acre of land they have got whether it is improved or not and so very few can stand up under an acre more than is improved and ready to produce remunerative crops, all the rest have to go back to the Government or crush the owners financially.

Now, I ask, do we in Imperial Valley want a dose of that kind? It may possibly be that the S. P. Co. or international complications will throw us under this department without our wishes being consulted, and against our will, but we are not subject to any condemnation among American people of honor for standing up for our rights, and if we show a disposition to do so in a straightforward and legitimate manner, show that we know what is right and propose to fight for it, we may be saved from the necessity of writing such letters to the Secretary of the Interior as the one from which I have quoted, and be in position to have something to say about the terms and conditions imposed upon our country.

Whereas, to bow down to any man because he holds a government commission **is un=American and merits only the contempt of these same men,** and if in the end we cannot get justice out of this department **we certainly can get justice from Congress, President Roosevelt, or the Supreme Court of the United States."**

The Government's Adverse Soil Report

In October, 1901, the Agricultural Department of the Government sent a soil expert—J. Garnett Holmes—to the Imperial Valley to examine and report upon the alkaline conditions of the soils of that Valley. A little later he was joined in this work by Thomas H. Means. These gentlemen made a hasty examination of the soils and reported to their Department—Milton Whitney, Chief of the Bureau of Soils—who issued the report dated January 10, 1902, under the title of "Circular No. 9." In the body of the report are found the following extracts:

IMPERIAL SAND

"The Imperial sand is found in only small areas and is composed of the same material as the sand dunes, the only difference being that the surface is level enough to permit of leveling for irrigation."

"This soil will very likely always be well drained and practically free from alkali salts, but if the sub-surface water should rise to within 6 or 8 feet of the surface by reason of excessive irrigation **great danger should be feared of the accumulation of alkali.** The cultivation of the sand is safe at present, but the movements of water and alkali salts in it are rapid, and should a sub-surface accumulation of water be permitted **the alkali would speedily rise to the surface and injure the soil.** Eighty-two per cent. of the soil has less than 0.2 per cent. alkali, and 18 per cent from 0.2 to 0.4 per cent. alkali." * * *

IMPERIAL SANDY LOAM

"This soil is found scattered pretty generally throughout the area mapped, there being in all 37 square miles, or 24,000 acres." * * * *

"This soil will take water readily, and where level and free from alkali is adapted to cultivated crops of alfalfa. Some of the best and **some of the worst lands of the Valley are composed of this type."** * * * * * * * * * * *

IMPERIAL LOAM

"The Imperial loam was found to comprise a part of each township mapped. The surface is smooth and level as a floor, almost devoid of vegetation. It has the peculiar, slick, shiny appearance often seen in localities where water has recently stood. It is the direct sediment of the Colorado River which has been deposited in strata when the area was under water." * *

"When free from alkali it is well adapted to the growth of wheat, barley and alfalfa. **This soil is in the main alkaline and in some places to such a degree as to preclude all possibility of profitable agriculture.** Of the 30,000 acres mapped 16½ per cent. has less than 0.2 per cent. alkali; 21½ per cent. has from 0.2 to 0.4 per cent., while 62 per cent has more than 0.4 per cent. alkali." * * * * * * * * * * * *

IMPERIAL CLAY

"The Imperial clay as soil or subsoil is found throughout the entire area. It is usually comparatively level, although in some places small hummocks have been blown upon its surface." * * * * * * * * * * * * * * *

"Aside from the difficulties in the physical properties of the soil, **the greater part of it contains too much alkali to warrant its continued cultivation.** Two or three crops may be taken off the land, but **the rise of the alkali is almost inevitable, and the cultivation of soils containing more than 0.4 per cent. alkali is not recommended."** * * * * * * * * * * * *

"Of the total area level enough to permit profitable cultivation, 17 per cent. contains less than 0.2 per cent. of alkali and 32 per cent. contains from 0.2 per cent to 0.4 per cent. The remainder of the land, or 51 per cent, **contains too much alkali to be safe except for resistant crops."** * * * * * * * * * * * *

"One hundred and twenty-five thousand acres of this land have already been taken up by prospective settlers, many of whom talk of planting **crops which it will be absolutely impossible to grow.** They must early find that it is useless to attempt their growth." * * * * * * *

"No doubt the best thing to do is to raise crops like the sugar beet, sorghum, and the date palm (if the climate will permit), that are **suited to such alkaline conditions, and abandon as worthless that which contains too much alkali to grow those crops."** * * * * * * * * * * *

A Later Government Report

Circular No. 9 was given to the public in liberal quantities while interviews were given out to newspapers and the associated press by Washington officials, and the effect on the work of reclaiming the Imperial Valley was very serious.

Nearly two years after the publication of the original report in pamphlet form, the Government after having time to hear from the criticisms of the first report published "The Conclusions of the Soil Report (Field operations of the Bureau of Soils)" which was mild in tone and statements as compared with Circular No. 9. But the harm had been done and the modifications were scarcely noticed by the public. Following extract is taken from this remodeled report:

"The soil is wonderfully fertile and irrigated with the sediment-laden waters of the Colorado must remain so. The **ultimate total reclamation and profitable cultivation of the desert will surely take place.** The greatest question at present is one of expediency, namely, How can the reclamation take place and yet protect the present owners from loss. It is believed that this can best be done by cultivating at present only the lands that will produce profitable yields of the crops now being grown, and by leaving the badly alkaline lands to be reclaimed when a new system of agriculture has raised the price of land to a point where it will justify the expenditure, and when the need for reclamation has been recognized by everyone interested in the country, so as to secure a complete co-operation of all concerned."

THE WASHINGTON BOMBSHELL

Shortly after the publication of Circular No. 9 Prof. E. W. Hilgard, soil expert of the Agricultural Department of the University of California, wrote to E. F. Howe, now editor of the Imperial Daily Standard, under date of January 22, 1902, in part, as follows:

"I have refrained from any publication until now for the very reason that I do not wish to throw cold water upon the enterprise; but since the **bombshell from Washington exploded,** I thought it best that the facts, both good and bad, should be published as quickly as possible. I have requested Mr. Rockwood and Mr. Hess, the Oakland agent, to send all the data of success in actual cultivation as far as possible, and well authenticated. **I think it is desirable to hurry up the publication as much as possible, in order to prevent additional wild generalizations coming from Washington."**

In this same letter Prof. Hilgard also says:

"Probably there are few soils in the State which are intrinsically more fertile, when freed from their salts. Analysis combined with experience shows this beyond possible question. Mr. Thomas Means to the contrary notwithstanding."

A Few Expressions from the Press

As the contents of that soil report became public, the newspapers throughout the Coast gave the same to the public in a more or less sensational way. Most of which articles were preserved in a scrap book by the Company, but as that scrap book is not now accessible, we can give only a few of the milder ones reproduced by Imperial newspapers, which strove to make the best of the report and at the same time apologize for the government's so-called experts. The tone of the press at that time was one of caution to investors and settlers and sympathy for those who had been caught in the alkali trap.

HOW THE SOIL REPORT WAS MADE

Following is a statement as published in the Imperial Press of February 8, 1902, of how the soil report was made by J. Garnett Holmes and Thomas H. Means:

"On October 17 last J. Garnett Holmes arrived in Imperial to make a survey of the lands of the Valley, beginning actual work in the field a week later. He continued at work six days a week until December, a considerable portion of his later work being in compiling his notes and not in field work. On December 13 he was joined by Thomas H. Means, who revised the work, remaining here only one week, the two leaving the Valley on December 20. **About forty days of actual field work was done in the Valley, covering, according to the report, 169 square miles. This implies that for each day in the field Mr. Holmes was forced to report on over 2,700 acres, and the** average distance traveled each day with horse and buggy was about fifteen to twenty miles."

WOULD NOT SPROUT BARLEY, BUT IT DID

The Imperial Press of February 8, 1902, says:

"While Mr. Holmes, one of these experts, was at work in Imperial, he told Mr. W. F. Holt that on one corner of his half section of land adjoining the town of Imperial on the south, the quantity of alkali and salt in the soil was so great that nothing could be made to grow therein, and **it was doubtful if the seed planted there would even germinate. Mr. Holt sowed that half section to barley and the entire acreage is as good a field of barley today as we could wish to look upon,** and the barley on that particularly alkali corner is as fine as any on the tract.

"Here is an error of judgment for which there is no excuse. The expert ought to know whether barley would grow in that soil or not and if he does not know it **he ought to resign his position and go to sawing wood.**

"Mr. Holt is a reliable man. He is the president of the First National Bank of Imperial and no man can call in question his statement."

PROF. WHITNEY'S MISTAKE

The Los Angeles Herald of about the same date is quoted by the Imperial Press as saying:

"Professor Milton Whitney's expert opinion on the soil at Imperial, in the Colorado River Valley, has been widely discussed by experienced agriculturists and land owners. His position as chief of the bureau of soils of the Government Agricultural Department gives some weight to any statements he may make. But the opinion here is that **the Washington official erred in making his report, in that he had not obtained sufficient evidence upon which to base the statement declaring as worthless more than one-half of the lands about Imperial."**

AGRICULTURE QUESTIONABLE

Following is from the San Diego Daily Union:

"The recently published report of the chief of the bureau of soils of the agricultural department contains the result of a survey of the soil in the eastern part of the county in and about Imperial, as made by Thomas H. Means and J. Garnett Holmes. The survey extended from Calexico northward twenty-two miles, and the conclusion reached is that **alkali exists in such quantities that "agriculture is a questionable proposition,"** and "one requiring much caution on the part of investors."

WOULD STRIKE TERROR

I. W. Gleason, for several years past president of Imperial Water Company No. 1, representing a large portion of the Imperial Valley, said:

"What has the appearance of an authentic report upon the soil about Imperial, by the United States Department of Agriculture, is going the rounds of the newspapers.

"It would seem to the uninitiated that such statements from such high authority would strike terror to the hearts of those who had invested their money in this country.

"This would undoubtedly be the case if we had not seen crops of any kinds growing with wonderful luxuriance on the lands and so are more inclined to put confidence in Mother Nature than in any chemist of no matter how high standing."

This soil report, of course, did not have the effect on the settlers in the Imperial Valley who were watching the vigorous growth of the crops that it had on the outside people who had never seen the Valley, and the **newspaper writers who**

thought they saw a chance to protect settlers from what they seemed to think was a visionary land scheme in view of the government's attitude towards the enterprise.

OPINION OF A COUNTY SUPERVISOR

C. H. Swallow, one of the Supervisors of San Diego County, having made several trips across the Imperial Valley, says through the San Diego Union:

"I think the Government is doing this section an injustice in sending out the report."

THE SUN IS SORRY

The Colusa Sun, edited then by the late Hon. Will S. Green, at one time U. S. Surveyor General of California, says editorially:

"Government experts have reported against the lands around the growing town of Imperial, on the Colorado Desert, and the Sun is sorry. It is said in the report that there is too much alkali for any ordinary crop. * * *

"This report would seem to knock out all idea of reclaiming any great portion of the Colorado Desert. Along the Colorado river below Yuma they say the land is good."

IT HAS NO BUSINESS TO GROW

The Phoenix (Arizona) Daily Republican, in discussing the Imperial soil report, says:

"Their findings have been published by the Department and they are anything but pleasing to the promoters of the Imperial Land Company and the kindred organizations interested in that section. The Southern California papers have taken up the subject and are making some severe comments on the findings of the experts. * *

"Having discovered the alkali percentages in the soil they proceed to set forth their theory why adverse conditions will grow constantly worse instead of better, a theory that is utterly refuted so far as a demonstration of the contrary can be made in the present early stage of experiment.

* * * * * * * * * * * * * * * * * * *

"Contrary to the prediction of the soil experts who looked over the Imperial country, **it is now said that a fine field of barley is growing where, according to their scientific report, it has no business to grow** and it is altogether likely that by the time that region is properly reclaimed and judgment used in its development, it will prove all that the Imperial promoters claim for it."

AS BARREN AS THE NORTH POLE

The Alameda Encinal, edited by George F. Weeks, an old-time resident of Southern California, and an experienced newspaper writer, says:

"The Imperial Press, in a rude, ribald, sarcastic manner, pokes fun at the alleged Government experts who have been "investigating" and condemning the lands of the Colorado desert. There was one particular location which these experts declared solemnly and positively would grow nothing—it would be useless to plant anything upon it. **Yet someone without the fear of the expert before his eyes plowed that land, planted it with barley and now comes the Press with a handsome photograph showing a heavy growth of grain thereon knee high on the 15th of February on the identical soil that the experts condemned as being as barren as the north pole.** Beyond the cold statement of facts the Press makes no comment. But it is awfully cruel of that paper to do such things."

LAUGH AT GOVERNMENT EXPERTS

D. G. Whiting, a successful farmer, writes to the California Cultivator, published in Los Angeles—a paper that is a recognized authority in agricultural matters in this section of the State, as follows:

"I have great faith in the Imperial country. The farmers there **laugh at the dire predictions of the government expert** as to the prevalence of alkali in quantities that will prevent the growing of farm crops. The finest crops are growing now near the town of Imperial. This portion of the tract was marked on the Government map as the most unlikely portion of the territory.

EX-CONGRESSMAN BOWERS ON EXPERTS

The San Diego Sun publishes a letter from Ex-Congressman Bowers, from which we extract the following:

"As I looked upon the great luxuriant fields that challenge all California to equal, I was reminded of the government agricultural experts (God save the mark, experts?) who, after private individuals had risked their all and demonstrated to the government and an equally great and uninformed people that the "desert could be made to blossom as the rose"—these experts (?) reported that their tests of the soil showed that it was **"so heavily impregnated with alkali as to unfit the most part of it for growing crops."** In all my ride I did not see any alkali land, nor one foot that would not grow crops if watered and planted. Indeed **I have not seen any fertile section of land in California so entirely free from alkali.** So much for government experts."

A PRIVATE ENTERPRISE SUCCESSFULLY CONDUCTED

The Los Angeles Times of April 9, 1904, says:

"Another question of immediate though local interest is as to the attitude of our government engineers towards the Imperial canal project—**a private enterprise which is being successfully conducted by the California Development Company under the direction of President A. H. Heber.** That Company, beginning in a small way only a few years ago, and with only modest means, has built up one of the most notable desert-land irrigation enterprises in the world, and **it is already achieving such remarkable results, in the way of settlement, cultivation and production, as to make it famous wherever knowledge of the project has been spread."**

Letter from L. M. Holt, Late Manager of the Advertising Department of the Imperial Land Company, to the President in Answer to His Message

Hon. Theodore Roosevelt,
The President,
Washington, D. C.

Sir:—

As one of the owners of a cultivated ranch in the Imperial valley, and a stockholder in the California Development company, and the manager of the advertising department of the Imperial Land company for about six years, I desire to call your attention to certain errors which crept into your message sent to congress Saturday, Jan. 12, on the subject of the Colorado River and the Imperial valley.

I appreciate the fact that you must of necessity rely on information received from various governmental officials and employes, in order to arrive at conlcusions on any given subject, and I regret that the information received on this subject should have led you into doing a great injustice to a large number of people and to great financial and business interests.

The question of utilizing the waters of the Colorado river for the reclamation of the Colorado desert had been discussed for many years prior to 1900, but no one was found with the ability and disposition to finance the enterprise until that year, when the California Development Company undertook the work, under the business management of George Chaffey.

That company filed on 500,000 inches of water —10,000 second feet—from the Colorado river, on American soil, near the international boundary line, and proceeded to construct a conduit to convey the waters to the Colorado desert—now known as the Imperial valley—through Mexican territory, having purchased 100,000 acres of land in Lower California in order to obtain a right of way for such conduit.

Settlers at once began to come in and take up the desert land under the desert land act, and also under the homestead act, purchasing stock in the mutual water companies in order to get the right to use the water delivered to such companies by the California Development company.

In order to file on land under the desert act it was necessary for the settler to state the source of water supply in his application to the land office, and also give his source of title to the use of such water. The blank applications used by them stated that the water came from the Colorado river through the canals of the California Development Company. **That source of supply and title was approved by the Interior Department and under that source of supply and title the government issued patents to sundry tracts of land.**

The first obstacle placed in the way of the California Development company was a soil report made by representatives of the Agricultural Department, which declared the soils of the Imperial valley to be so impregnated with alkali that most of them were of little or no value for agricultural purposes, and that the alkali would probably work to the surface as the land was irrigated and become worse instead of better. Experience proves that those experts were mistaken in their diagnosis of the soil, for less than one-half of one per cent. of the lands brought under cultivation failed to produce satisfactory crops, and the alkali decreased from year to year, instead of increasing.

The statements made in your message go to show that there was no foundation in fact for the alkali report made by the government, for you say:

"A most conservative estimate, after full development, must place the gross product from this land at not

less than $100 an acre per annum, every ten acres of which will support a family when under intense cultivation." * * * "The entire irrigable area * * * is capable of adding to the permanent population * * * at least 350,000 people, and probably 500,000. Much of the land will be worth from $500 to $1,500 an acre to individual owners, or a total of from $350,000,000 to $700,000,000."

It was the California Development company, under the direction as manager of a gentleman who had had extensive experience in large and successful irrigation enterprises both in Southern California and Australia, that demonstrated the fact that vast wealth could be created out of such apparently worthless material. That entire desert was not considered worth a cent a section until this company put water thereon and the people in large numbers settled on those lands and began to raise crops and families and create wealth.

That soil report was the first hard blow given the valley, and that blow was struck by the government. The settlers, however, were not easily scared, and they went to work to lay the foundation for the position taken by you in your message regarding the value of the valley lands for agricultural and horticultural purposes as heretofore quoted.

And in this connection I desire to refer to your criticism of the manner in which settlers were induced to enter the Imperial valley and take up government land for settlement. You say:

"The claims were not only extravagant, but in many cases it appears that willful misrepresentation was made."

I had charge of the advertising policy of the Imperial Land company from its incorporation, in 1900, to 1906, which company did the advertising, and I prepared most of the literature that was sent out regarding the desirability of the Imperial valley for agricultural and horticultural purposes, and I challenge anyone to point out a single instance in which extravagant claims were made or misrepresentation resorted to.

The most extravagant statements made were those in connection with the cultivation of the date palm, and the figures given on that subject were put forth under the authority of a government expert engaged in introducing choice varieties of palms into the United States from Africa, and in all our literature we never published claims of profits and land values that even approached the figures given by you in your message. We believed the value of the land would reach $100 an acre, and so stated.

So much for the productions of the valley. As regards the fertility of the soil, our statements in that regard never have been called in question, and as to the water supply it would have been all we claimed for it had not our plans been interfered with by government officials and employes.

And this brings us to the most important question connected with the subject—the interference of the reclamation service with the plans of the California Development Company.

One of the first moves made by that service after its organization in 1902 was an examination of the Colorado river, and the lands that could be reclaimed by means of water from that stream. It found that the California Development Company had filed on 500,000 inches of the water (10,000 second feet) and that the only way left for the building of another irrigation system on that river was by means of storage reservoirs for impounding the flood waters which came down from the melting snows every summer. **Arthur P. Davis, hydrographer of the United States geological survey and formerly engineer of the Isthmian canal commission, was in charge of this work. He made a report to his superiors in which he stated what could be done on that stream, and this report through mismanagement or mistake, reached the public. The Imperial Land company obtained a copy of the report and I had it issued in pamphlet form under the title of "The Nile of America," giving Mr. Davis due credit as the author of the report. The government requested the company to suppress the publication and call in the copies that had been sent out, but this the company declined to do because the pamphlet had been already so widely distributed that it was not practicable to suppress it, but we agreed not to issue another edition, as had been intended.**

This report stated the program to be the construction of four large reservoirs on the river having a total storage capacity of 1,000,000 acre-feet of water. It was claimed that the flood waters of the stream would fill these reservoirs annually. Preliminary to this great work the government filed on 40,000,000 inches of the flow of the river, subject to filings theretofore made, the principal one of which was the filing made by the California Development Company for 500,000 inches, or 10,000 second feet.

Mr. Davis in his report gives three of the chief obstacles to the utilization of the waters of this basin, but neither one of them refers to the claim that the Colorado river was a navigable stream, and therefore could not be diverted and used for irrigation purposes. In fact, if the stream had been navigable he proposed absolutely to destroy the

navigability by erecting across the stream four dams, one of which was to be 300 feet in height.

On this point of navigability, however, the report says:

"The river is navigated more or less from the mouth to the Needles by flat bottom, stern wheel boats, which sometimes even ascend to the mouth of the Virgin river. Its navigation, however, is so difficult and precarious as to make it almost useless. At low water the channel is so broad, shallow and changeable that boats are continually running aground—sometimes being nearly a week in advancing ten or fifteen miles. In times of high water, the swift current greatly impairs navigation. Whenever wagon transportation is possible this is preferred to the river."

Up to this time there was no attempt made by the Reclamation service to interfere with the rights of the Imperial canal system and our people considered the work of the Government on the Colorado river as a help to their system rather than as a hindrance.

But a change came over the situation by the development of facts which stood in the way of theories. The great irrigation edifice builded by Mr. Davis took a tumble. There was one unsurmountable obstacle to the carrying out of his magnificent $22,000,000 plan. That obstacle was found in the fact that there was no available bedrock on which to build the four dams which were to cost $15,000,000, and those dams could not be built without such foundation. The plans outlined by Mr. Davis had to be abandoned and another change of base became necessary.

It was now conceded that but little could be done by the reclamation service on the Colorado river unless the California Development company could be forced out of business. The only way to accomplish that end was by attacking the company's credit, which had been restored again from the damage done by the soil report; and the only way to injure that credit was by attacking its right to the use of the waters of the Colorado river. If that right could be successfully overthrown, the company could not borrow a dollar and its enterprise must of necessity be abandoned. This movement was a despicable one, but it had to be done and the work was undertaken.

Reclamation officials then circulated the report very industriously that the Colorado river, being a navigable stream, the California Development Company could not make a legal filing on its waters; therefore the settlers in the Imperial valley had no water rights and the only thing for them to do was to cast their lots with the reclamation service and assist in placing the Imperial valley under the reclamation service program. So strong was this pressure made that the California Development Company finally agreed to sell out its plant to the Government, but the offer was not accepted because of the complications with the Mexican government, although the settlers were practically unanimous in their desire at that time to secure the assistance of the Government on the terms offered by the California Development Company.

Considering all the circumstances of the case, in connection with the attack made upon the credit of the California Development Company, which ruined the credit of that company and made it powerless to build suitable headworks, it is not extravagant to state that the Government is responsible for the runaway Colorado river and the Salton Sea.

The financial assistance needed by the company could have been had only for the discredit thrown upon the company by the officials of the reclamation service. As a result of the work done against the company by the reclamation service, it became necessary for the company to obtain water rights from the Colorado river through the Mexican government in order to protect the company's contracts with the mutual water companies composed of settlers on the government lands.

The company's water rights were obtained originally on United States soil under laws enacted by the state of California and recognized by Congress, but these rights were endangered by Congress because of the representations made by the reclamation officials.

It was at this point that the late A. H. Heber, then president of the California Development Company, appeared before a congressional committee and asked Congress to do justice to the company and to the settlers in the Imperial valley by confirming their rights to the waters of the Colorado river, but finding that the efforts of the reclamation service, in its attempts to ruin both the company and the settlers were likely to prevail, he declared openly to the committee that if he could not get the necessary protection from his own government, he would go to Mexico and there get the protection that was being denied him by Congress—that he would "be compelled to go and worship at the shrine of a foreign power."

He went to Mexico and there he made a contract with President. Diaz for a concession of 10,000 second feet of water from the Colorado river and that concession was ratified by the Mexican congress.

In order to save the settlers of the Imperial valley from the attacks of the reclamation service he was compelled to cut a channel into the

Colorado river in Mexican territory four miles below the international boundary line in order to secure the right to water that was being denied him by Congress, and had it not been for an untimely flood at a season of the year when a low stage of water was to have been expected, the headgates would have been put in and the disastrous consequences of that work would never have occurred.

This attempt to protect the settlers from the attacks of the reclamation service in their water rights has cost millions of money, all of which eventually must be paid by the settlers, for it is the settlers that must in the final settlement foot all such bills of expense.

After the reclamation service failed to get control of the Imperial canal system by crippling the owner of that system, another change of base had to be made. It was then proposed to construct the Laguna dam across the river above Yuma, and thus reclaim about 90,000 acres of land located on either side of the river—a small portion of which was located in California, but the greater portion in Arizona. In deciding to build this dam the government forgot its previous position that the river was a navigable stream. The cost of reclaiming this land was found to be from $35 to $40 an acre, a very high figure for that class of land. If this expensive system could have been spread over 600,000 or 800,000 acres of land instead of 90,000, the cost per acre would have been much less, and it was to accomplish this end that it undertook to crowd our company out of the river.

Owners of the land along the river were slow to sign up with the Government, as they already had a water system that was doing fairly well, and they considered the cost of the change higher than it should be. They were only induced finally to accept the Government offer by the promise of J. B. Lippincott that the government would purchase and operate the local systems until the Government's system should be completed. At least this is the position taken by people, and the controversy between the people and the Government over this matter is so complicated and unsatisfactory that the settlers in the Imperial valley will be slow to become a part of that unsettled condition of affairs.

Meantime, the farmers along the Colorado river have no way of obtaining sufficient water from the river for irrigation purposes and consequently are suffering great loss. In order to secure water from the Colorado river for diversion at the Laguna dam, the reclamation service found it necessary to make a filing on the surplus waters of that stream, and it therefore made such filing, notwithstanding the fact that it had but recently declared most emphatically that such filing could not be legally made. Following is a record of its position on the filing question:

First—It filed on flood water to fill four reservoirs.

Second—It declared that the waters of the Colorado river could not be filed upon because it was a navigable stream.

Third—It again filed on the waters of that river to be diverted at the Laguna dam.

Meantime Arthur P. Davis had declared that practically the stream was not navigable, but that an ordinary wagon road was better than the river for transportation purposes.

The people of the Imperial valley, since the failure of negotiations three years ago, have been vigorously opposed to the reclamation program as applied to that valley for reasons that are well known.

In your message you state that by a consolidation of the Laguna dam system with the Imperial canal system it will be possible to irrigate 500,000 acres of land along the Colorado river and 300,000 acres in the Imperial valley. As a matter of fact there are 500,000 acres of irrigable land in the Imperial valley, and the Imperial canal water rights are sufficient for that amount of land, and it looks as though the reclamation service wanted to cut that acreage down nearly one-half so that the surplus water could be used elsewhere.

Taking the statements made in your message to congress as a basis of calculations, the following conclusions are inevitable.

First—The California Development Company has the right to the use of water from the Colorado river to irrigate at least 500,000 acres of land.

Second—That land in the Imperial valley will be worth from $500 to $1,500 an acre—an average of $1,000 an acre—thus giving a total realty valuation of $500,000,000.

Third—It will require $2,000,000 or more to mend the break and make headworks permanent and substantial and complete the irrigation system. This taken with the present indebtedness of the company, will make a total indebtedness of $4,000,000, or possibly $5,000,000.

Fourth—This indebtedness would only amount to $10 an acre on the lands to be irrigated, which is less than one-third the cost of reclamation of lands under the Laguna dam.

I submit for your careful consideration the statements herein made, and all of which I firmly

believe to be true, and suggest that they are sufficient to establish a cause of action, and that action should be a careful examination of the whole question by competent and unprejudiced persons who desire to know the truth and have no axes to grind.

Sympathizing as I do with the great mass of the American people who are not slow to express their admiration for the stand which you always have taken in favor of justice and right and your determination to get bottom facts that will enable you to reach right conclusions, I send you this statement of the case, feeling that you will give the question that personal consideration that its importance demands.

Yours very truly,

Los Angeles, Cal., February 21, 1907. L. M. HOLT.

Second Letter of L. M. Holt to the President in Answer to His Message

Hon. Theodore Roosevelt,
The President,
Sir:—

Since writing you on the 21st instant, I find that one very important point in connection with the Government's work in the Imperial Valley was overlooked in that letter. I refer to the original survey of the Valley by the Government and the failure of the Government to correct errors of survey which resulted from the imperfect work done by the Government surveyor years ago.

The greater portion of the Colorado desert was surveyed by the Government in 1856-8. This survey covered that portion of the desert north of the fourth standard base line. There is no evidence that this great worthless desert was ever actually surveyed, beyond the possible running, in a crude way, of the lines around the townships. This statement is borne out by the fact that none of the very few witness trees can be connected with any section corner. There is no surveyed land in the United States that was considered so absolutely worthless as this great desert, and the suryevors who were supposed to have charge of the work in 1856-8 evidently believed that no one would ever have enough interest in that country to ascertain whether the survey was ever made or not. Another reason for believing that the survey was never actually made is found in the fact that between the fourth Standard Base line on the south and the section stakes that can be found on the north there is more land than is called for by the maps filed in the United States Land Office. Therefore the townships of record in that land office, when resurveyed, must of necessity be more than six miles square.

The second survey was made in 1878 and covered that portion of the desert located between the Fourth Standard Base line and the International Boundary line, which consists of one tier of fractional townships. This survey was connected with the International Boundary monuments and was practically correct. But it does not connect with the survey of 1856-8, there being a jog of a mile and a half between the two surveys.

In 1900 it became necessary to make a resurvey of this whole country so that settlers could locate their claims in the Land Office. Work was commenced at the Boundary line and this first tier of townships was surveyed without difficulty, but when it came to extending the work further north, the trouble began, because (as was afterwards discovered) of that jog in section lines of over one and a half miles, for the maps of record in the Land Office at Los Angeles did not show that discrepancy between the two surveys, and as there were no witness trees to be found and no section stakes visible, the whole desert for fifteen or twenty miles to the north and extending from New River on the west to the Alamo on the east was incorrectly surveyed as compared with the original survey; and, to make matters worse, on account of there being too much land for the number of sections, the farther the survey was extended, both north and east, the worse became the discrepancy between the two surveys.

The Imperial Land Company made this resurvey, and the discrepancy was not discovered until 1902. Congress was then asked to ratify the lines of the resurvey in order to protect the settlers and leave the canals following section and half section lies. This was promptly done, but there was no appropriation made to carry that decision into effect until the Spring of 1906—a delay

of almost four years, while the settlers on 250,000 acres of government land were unable to make final proofs and secure patents for their lands which had been taken up honestly, mostly under the Desert Act, and made valuable by being reclaimed and cultivated.

In the Spring of 1906, Congress made an appropriation of $20,000 to be used in making a resurvey of the Imperial Valley in accordance, so far as possible, with the survey made by the Imperial Land Company. This appropriation was made in an emergency deficiency bill and took effect at once, and yet after the lapse of nearly a year one of the contracts for that work has not as yet been let and no attempt has been made to hasten the work to relieve the Valley.

During all this five years of procrastination the people have had to wait and suffer serious damage by not being able to secure title to their lands. During these years hundreds of final proofs have been made, but they have all been hung up in the Land Department of Washington, and the development of the Valley has been seriously retarded.

In the meantime settlers have filed on about 300,000 acres of that worthless desert land, have secured water rights for about 250,000 acres, have put under actual cultivation about 125,000 acres, have created property conservatively estimated as being worth $25,000,000, and have paid into the United States Treasury about $75,000 as first payment on their land filings, promising to make payments of about $300,000 more when final proofs could be made. All this for land that was not worth a cent a section until the California Development Company made it valuable by constructing a canal system at a time when all the powers of the government seemed to be used to block their enterprise and bankrupt ten thousand American homeseekers, on land that the government would neither reclaim nor allow a fair field for private enterprise to do that work.

These may seem to be strong statements, Mr. President, but they are the honest convictions of a man who has spent a third of a century in Southern California, building up its irrigation interests —six years of which time has been devoted to the interests of the Imperial Valley, and he knows whereof he speaks. The statements herein made are from personal knowledge and not from heresay testimony.

One obstacle after another was placed by the Government and government officials in the way of the development of the Valley, until it would seem as though there were no limit to the trials that the people had to bear.

Imperial Valley is located about two hundred and fifty miles from the U. S. Land Office in Los Angeles, where all the settlers had to come to make filings, make annual and final proofs, and transact other business with the U. S. Government. It costs the settler about $25.00 to make that trip. Much of that expense could have been saved by the appointment of a Court Commissioner by the U. S. Distict Court for Southern California, to reside in the Valley. Our Company and the settlers in the valley labored for two years to get such official appointed, and after the appointment was made the incumbent was asked by the Court to resign after serving about one year, and for the past two years or more there has been no such official and the people have been compelled to pay thousands of dollars of expense in reaching the Land Office, which might have been saved had such Court Commissioner been appointed to take care of much of the Land Office business in that Valley. Neither the writer nor the people of the Valley criticize the Court in asking for the Commissioner's resignation, but they do complain that a suitable successor was not appointed to fill the vacancy.

You can readily see, Mr. President, that a company that undertakes such a gigantic and theretofore untried reclamation proposition must meet with many obstacles in satisfying capitalists and settlers that the enterprise was built on a solid foundation, but when Government officials placed so many obstacles in the way of success by declaring the soil so affected with alkali that it could not be made productive, that the company had no right to the use of the water in its irrigation system, and that the land surveys were so imperfect that settlers could obtain no title to their holdings, it must certainly occur to you that both capitalists and settlers would become tired of the up-hill pull, that the capitalists would become disheartened in making further investments in the securities of the company, and that even the settlers themselves would feel like making no further payments on their water rights which had been purchased on easy terms, until they could be assured that they were going to get title to the lands and water rights for which they had contracted, and that the Government was going to treat the settlement with fair consideration.

This company which you so strenuously criticized and discredited in your message to Congress converted that worthless desert into one of the

greatest wealth producing sections of the world from an agricultural point of view, and demonstrated the fact that this comparatively small valley could be made, according to your estimate, to add $700,000,000 to the wealth of the State and Nation. Is it just that this company and the men who steered it to victory against great odds should be traduced by government officials at every turn? Have ten thousand of the noblest and most courageous people that ever settled a new country no legal or moral rights that the Government is bound to respect?

The people of the Valley have good reason to believe that the officials of the Reclamation Service are responsible for much of this delay and most of the obstacles thrown in the way of success to this—the greatest irrigation enterprise in the United States. They believe this because they know that those officials are desirous of combining the Imperial canal system with the Laguna Dam enterprise, and thus make a creditable showing for their work.

But such a combination, if accomplished, must be made at the expense of the Imperial Valley settlers, for, in addition to paying for their own system, they would also be required to pay the greater portion of the expense of a costly dam across the river and a more costly canal to bring the water from that dam to the Imperial Valley. The people are thus brought to a consideration of what that extra expense will be.

It was estimated at first that the Laguna dam would cost about $1,500,000. Already that sum of money has been expended and it is now estimated that the dam will cost about $3,000,000. The canals and the distributing system from that dam for the irrigation of 90,000 acres on either side of the river will cost probably $1,000,000 more.

Mr. Newell estimates that it will cost $6,000,000 to construct a canal from the dam to the Imperial Valley. Thus we find that the Imperial Valley, in addition to constructing its own distributing system and paying off the indebtedness caused mostly by the attempt to control the Colorado river, must also pay for a $6,000,000 canal and the greater portion of a $3,000,000 dam. It is unreasonable to expect that they will consent to this, and is it not unjust to try to force it upon them?

The Laguna dam system of 90,000 acres should be kept separate from the Imperial Valley system. Hence each section must pay for its own distributing system and become partners only in the dam.

Of course you have many great interests to look after and many things must be left to the action of your subordinates, but I know that if you would authorize an investigation of the charges made against the Reclamation officials and others who have tried so vigrously to destroy the wealth that our Company and the settlers have tried to create, you would find a condition of affairs that might prove to be extremely useful in correcting the present management and in giving direction to the affairs of the Reclamation Bureau in the future.

The feeling against those officials in the Imperial Valley is very strong, and any proposition that might be made to put Imperial Valley under the Reclamation Service as at present constituted will be rejected by the two thousand or more men who have taken up land in that valley in order to make homes for themselves and their families.

Reliable information from the settlers under the Laguna dam, and also from settlers under the Klamath reclamation system, goes to show that those settlers are also very bitter in their denunciation of the Reclamation Service and for good cause.

Copies of this letter and of my former letter in connection with your message to congress are being sent out in pamphlet form to all members of Congress, to prominent Government officials in Washington, to officials and employees of the Reclamation Service, to the newspapers of California, and to the settlers in the Imperial Valley.

What we want is an impartial investigation of these statements. Less we cannot ask—more we do not need. A lesser man than yourself, Mr. President, might wish to confirm a previously expressed opinion at all costs, but the American people believe that when you have found yourself to be the victim of misplaced confidence in others, you will vindicate with the same emphasis that you have condemned.

Awaiting your action, I remain,

Yours very truly,

L. M. HOLT.

February 6, 1907

1049 West 21st Street,

Los Angeles, Cal.

Statements of Various Prominent Bankers Illustrating the Difficulties of Early Financing and the Effect of Soil Reports

When the California Development Company commenced business early in 1900, it was necessary that it establish its credit in the business circles of Los Angeles at as early a date as possible. The enterprise was so novel and daring in its scope, though of brilliant promise withal, that Southern California banks were disposed to withhold their endorsement, and financial skill of a high order was necessary to pilot it through the early stages, even had there been no soil reports to combat.

The Company carried its bank account with the Los Angeles National Bank and in January, 1901, made application to the bank for a needed credit of $10,000, offering as security all or any of the notes and mortgages of those who had purchased land and water stock on deferred payments. Neither the Los Angeles National Bank nor any other financial institution in Los Angeles would concede any value to the securities for loaning purposes. A copy of the bank's reply to this application follows:

W. C. Patterson, Pres.
P. M. Green, Vice-Pres.

W. D. Woolwine, Cashier
E. W. Coe, Asst. Cashier

THE LOS ANGELES NATIONAL BANK
U. S. DEPOSITARY
Capital, $500,000.00

Los Angeles, Cal., Jan. 19, 1901.

California Development Co.,
Stowell Block,
City.

Dear Sirs:—In the matter of the proposed loan which you have previously intimated that you might possibly desire to negotiate with this bank, I regret that circumstances have conspired to create more than an usual amount of delay in reaching a decision upon the part of this bank. Feeling that you ought not to be subjected to further suspense I referred the matter to our Finance Committee, who gave it careful consideration.

They report that they are all of the opinion that you have a splendid proposition, and that the outlook is very bright for the success of the enterprise, but that they are of the opinion also that in the event the venture should prove a failure, the assets of the Company would be of little or no value. In that case the re-payment of the loan made to your Company would depend entirely upon the success of the venture, and would therefore be more or less of a speculation.

For the foregoing reasons the Committee have advised the bank adversely to offering the loan to your Company at this time.

It is a matter of personal regret to me that the conditions have not been such as to induce a more favorable conclusion.

Faithfully yours,

(Sig.) W. C. Patterson,
President.

In the following letter Mr. Patterson has more particularly identified the transaction referred to in the foregoing, and many unacquainted with the difficulties attending the early financial struggles of the Company will marvel that so great an enterprise could not command at that period of its development so small a sum as $10,000.

J. M. Elliott, President
Stoddard Jess, Vice Pres.
W. C. Patterson, Vice Pres.
G. E. Bittinger, Vice Pres.
John S. Cravens, Vice Pres.

W. T. S. Hammond, Cashier
A. C. Way, Asst. Cashier
E. S. Pauly, Asst. Cashier
E. W. Coe, Asst. Cashier
A. B. Jones, Asst. Cashier

FIRST NATIONAL BANK OF LOS ANGELES

DESIGNATED DEPOSITARY
OF THE UNITED STATES

Los Angeles, Cal., Feb. 20, 1907.

Mr. A. M. Chaffey,
I. W. Hellman Bldg.,
4th and Main Sts., City,

Dear Sir:—I remember that in January, 1901, the California Development Co. through you applied to the Los Angeles National Bank, of which I was then President, for a loan of $10,000. *You offered as collateral, a long list of mortgage notes which the Bank refused to accept, for the reason that the success of the enterprise was, to say the least, problematical.* Inasmuch as the signers of these various mortgage notes offered very little in the way of personal financial responsibility, the Bank felt that to base a loan of $10,000 upon the mortgages alone, would be somewhat like betting $10,000 that the enterprise would be a success. I remember distinctly that while we were hopeful, we were by no means certain.

Yours very truly,

(Sig.) W. C. Patterson,
Vice-President.

The following letter illustrates the extreme reluctance of conservative bankers to recognize the merits of the enterprise. Indeed it shows that the personal credit of the then Treasurer of the Company *was greatly impaired by connection with the undertaking.*

PRESIDENT'S OFFICE

THE NATIONAL BANK OF CALIFORNIA

AT LOS ANGELES

J. E. Fishburn, Pres.
W. D. Woolwine, Vice Pres. and Cashier
F. G. Belcher, Jr., Asst. Cashier

February, 13 1907.

A. M. Chaffey, Esq.
220 West Fourth St.,
Los Angeles, Cal.

Dear Sir:—I beg to confirm our conversation of this morning to this effect: that in the latter part of the year 1900 you had an account with this bank, and from time to time as you needed to use your credit we took your paper, the largest amount being, as I remember it, $15,000; that when this latter loan matured I declined to renew it, giving you as my reason that while the account had always been satisfactory, and your financial statement would perhaps warrant a loan of that size, still I did not feel comfortable on account of the character of your investments; that your personal fortune depended entirely upon the result of the work you were doing on the desert, and that *we could not look with favor upon a loan to you when we knew that the money was going into what we considered a very hazardous enterprise.*

Yours very truly,

(Sig.) J. E. Fishburn,
President.

It will readily be seen how calamitous to the finances of a company, having such a project, would be even the faintest whisper that THE IMPERIAL SOIL WAS WORTHLESS, and the whole enterprise doomed to ruin. Yet the Government soil experts, apparently disinterested, and working for the protection of the people at large against the speculators that would mislead them, did more than whisper it. They gave it forth far and wide with solemn emphasis and official ceremony.

Here are a few letters from Bankers not only shedding light on early financial difficulties, but showing that the soil reports played their full part:

J. M. Elliott, President
Stoddard Jess, Vice Pres.
W. C. Patterson, Vice Pres.
G. E. Bittinger, Vice Pres.
John S. Cravens, Vice Pres.

W. T. S. Hammond, Cashier
A. C. Way, Asst. Cashier
E. S. Pauly, Asst. Cashier
E. W. Coe, Asst. Cashier
A. B. Jones, Asst. Cashier

FIRST NATIONAL BANK OF LOS ANGELES

DESIGNATED DEPOSITARY
OF THE UNITED STATES

Los Angeles, Cal., Feb. 14, 1907

Mr. A. M. Chaffey,
Hellman Bldg., 4th and Main Sts.,
City,

Dear Sir:—I remember Mr. Geo. Chaffey, your father, applying to me as President of the First National Bank, sometime during the Spring of 1901 for a loan for the California Development Co., offering certain assets of that Company as security. After looking over the matter, we determined to decline the loan and did so, our reasons being, as I explained at that time,—

1st. The uncertainty of the ability of any corporation to entirely overcome the difficulties of taking the water from the Colorado River and carrying it for sixty miles to the Imperial Valley, and the still greater difficulty of keeping the ditches and canals unclogged by silt even after a successful opening was made.

2nd. The fact that the Mexican Government, through whose territory a considerable part of the canal system ran, might, for technical reasons, at any time cancel its agreement and take away the canal.

Later on, when the canal was successfully opened and when the farmers commenced to successfully cultivate a portion of the valley, the fact that the United States Government's experts had reported that the land was too strongly alkali to be valuable for agriculture for any length of time, made us increasingly apprehensive of the value of any of the water shares or water bonds that were offered to us by different parties.

Yours very truly,

(Sig.) J. M. Elliott,
President.

Isaias W. Hellman, Pres.
J. A. Graves, Vice Pres.
I. N. Van Nuys, Vice Pres.
T. E. Newlin, Vice Pres.

Charles Seyler, Cashier
Gustav Heimann, Asst. Cashier
John Alton, Asst. Cashier

THE FARMERS AND MERCHANTS NATIONAL BANK
OF LOS ANGELES
Capital, $1,500,000
Surplus and Profits, $1,500,000
Cable Address "Heilman"

Los Angeles, Cal., Feb. 13, 1907.

Mr. A. M. Chaffey,
Los Angeles, Cal.

Dear Sir:—I beg to confirm your statement that during the month of December, 1900, the California Development Company tried to negotiate a loan of $50,000 with this Bank, and offered as collateral security for such loan $250,000 par value of its first mortgage bonds, and in addition thereto such of the mortgages owned by the Company as the Bank would care to select. This application was denied, as it seemed by no means certain that the company would ever get water from the Colorado River into the Valley, at that time. Some months later, when the ditch had been completed and the enterprise was to some extent proven, this Bank sent a confidential agent to the Imperial Valley to report on conditions as a guide to us in extending credits to customers. *Our agent strongly advised us to keep out of the field and gave as one of his principal reasons for so doing that U. S. Government experts had condemned extensive areas as unfit for agriculture.*

Yours truly,

(Sig.) J. A. Graves,
Vice-President.

J. E. Fishburn, Pres.
W. D. Woolwine, Vice Pres.

R. I. Rogers, Cashier
F. J. Belcher, Jr., Asst. Cashier

THE NATIONAL BANK OF CALIFORNIA
AT LOS ANGELES

February 15, 1907.

Mr. A. M. Chaffey,
Los Angeles, Cal.

My Dear Mr. Chaffey:—In the matter of a loan asked from the Los Angeles National Bank for the California Development Company in the early part of January, 1901, I recall that you offered to secure the loan by pledging assets of the company consisting of bonds and mortgages very largely in excess of the amount applied for. After full consideration by the Finance committee of the Los Angeles National Bank, of which I was then Cashier, it was thought advisable to decline the loan. There was a general feeling, in which we participated, that there might be trouble with the Mexican government on account of your canal running through Mexican territory. This was prior to the completion of the canal, as I remember. After the canal was completed, and the water was turned in, there was a much more hopeful feeling, but *thereafter the feeling became current that because of the opinion expressed by the United States government officials, large bodies of the soil in the district to be irrigated were impregnated by salt and alkali, which made it practically impossible to obtain loans on the securities of the company.*

Later it was found that the reports of the government officials were much overstated, but the damage to the section and the company was, however, quite considerable. It was stated to us by those in a position to know the facts that the surveys of the government were of such a nature that it was difficult to obtain patents for the lands, which worked a hardship on the enterprise.

In conclusion I will say that I believe I have not made as strong a case out of this as the facts would possibly warrant, but it is a long time since it occurred, and I prefer to be conservative rather than extreme.

Very truly yours,

(Signed) W. D. Woolwine,
Vice-President

Government Obstruction and Government Criticism

The management in 1900-1902 did not forget that many of their most discouraging difficulties were those interposed by the Federal Government. Consequently it was hard for them to submit to be roundly criticized by the President in his message of January, 1907, for their alleged shortcomings. Mr. George Chaffey wrote with some emphasis to the President along these lines in a letter of January 15, 1907, which follows:

Letter from George Chaffey, formerly President and Manager of the California Development Company, to the President in Answer to His Message

To his Excellency, Theodore Roosevelt, President of the United States, Washington, D. C.

Sir: The telegraphic dispatches credit your message to congress on the subject of the Colorado river break with the following paragraphs:

"The money thus obtained from settlers was not used in permanent development, but apparently disappeared, either in profits to the principal promoters or in the numerous subsidiary companies which to a certain extent fed upon the parent company or served to obscure its operations. The history of those deals is so complicated that it would require careful research extending through many months to unravel the various ways by which the money and securities have disappeared. In brief, it is sufficient to state that the valuable considerations which were received from water rights were obviously not used in providing necessary and permanent works for furnishing water to the settlers.

"The California Development Company began its work by making representations to possible settlers of the great profits to be derived by them by the taking up of this land. The claims were not only extravagant, but in many cases it appears that willful misrepresentations were made. Many of the operations of this company tended to mislead uninformed settlers. At first the success of the company was great and it disposed of water rights at prices sufficiently large to obtain fair revenue, either in cash or in securities of value.

"The whole enterprise and the spirit of those promoting it as well as of the numerous smaller speculators attracted to the subsidiary offer were of the most visionary character. Actual investments have been small compared to the estimates of wealth which seemed possible of realization. The company entered upon its construction work with large plans but with inadequate capital. All of its structures for the control and distribution of water were temporary in character, being built of wood and of the smallest possible dimensions. Through the efforts thus made a large amount of land was brought under cultivation and at one time it was reported that over 100,000 acres were being more or less irrigated."

I take it that the foregoing refers, in large part at least, to the management of the California Development Company from April 1, 1900, to February 12, 1902, when I was its president, for while the company had been organized four years prior to 1900 it had done in that period no work of any kind, and it was during the period of my management that the canals were first built and the enterprise was given tangible form and secured tangible results. I so assume because those guilty of making the cut in the river in 1904 have sought to shift responsibility for their shortcomings to me upon the pretext that the original canal was improperly built, and because subsequently the Southern Pacific Company for purposes of its own has made, but has not yet established, sundry charges of early mismanagement and industriously sought to procure their general acceptance by repeated reiteration.

While not altogether persuaded that the foregoing paragraphs are in your opinion a material part of the message to congress, nor that congress will deem the subject matter referred to a relevant matter for inquiry, it is very clearly my duty to enter a respectful but emphatic denial of the statements, references and suggestions therein contained. In this connection I am mindful that I cannot hope to modify the popular impressions that are derived from an official statement made

by the chief magistrate of the United States, but only to persuade you, Mr. President, that there is another side of the story, and, it may be, to suggest to the future historian of the Imperial valley a line of inquiry which he may at his leisure investigate.

Permit me then with all deference to say:

(1) That all the money obtained from settlers during the period of my management of the California Development Company was used in permanent development; and futhermore, that much more than twice the money so received was so used and expended.

(2) That the subsidiary companies were organized at a time when the California Development Company had nothing upon which they could feed, and each severally performed its share of the development of an enterprise which in its conception was sufficiently vast and sufficiently novel (the reclamation act of 1902 was not then passed) to absorb the energies of them all, along different lines of activity.

(3) That aside from the money received from settlers the one only remaining source of income was the securities in the form of notes and mortgages and bonds of the company which were received and issued by it, and which had value only upon the assumption that the enterprise was a sound one.

(4) That aside from the ordinary difficulties experienced in selling the securities of a company embarked in a novel and hazardous undertaking, obstacles well nigh insurmountable were interposed by officials of the government of the United States, to-wit: the soil experts of the department of agriculture who reported the soil of Imperial valley as absolutely unfit for agriculture, gave out to farmers, through the press of the country, solemn warnings against being inveigled by our attempts to colonize the Colorado desert.

(5) That we who were giving our undivided energies to, and had staked our reputations upon a great enterprise undertaken by us prior to any government efforts at reclamation, were by this unfortunate official action compelled to pledge our personal credit and to involve every dollar of our private resources, in a desperate effort to achieve the success to which we believed the project entitled; and that so far from doing anything discreditable, we were and are entitled to the greatest credit for the successful engineering and financing of the project in its early days and under conditions peculiarly trying and disheartening.

(6) That the company at all times had enough of these various securities, in face value to put in the most permanent improvements and would long since have been able to do so but for the persistent hostility of certain federal officials, first the soil experts of the department of agriculture, and afterwards and subsequent to my connection with the company, by officials of the reclamation service, who, under the protection and with the prestige of their official position, lost no opportunity of discrediting the Development Company and its water rights, and the soil and prospects of the Imperial valley, all in direct conflict with the helpful spirit and purpose of the reclamation act of 1902 under which they held their official positions; and at the self same time were themselves engaged in a project to divert the waters of the Colorado to a very much less extensive tract of much poorer land and at a very much greater cost per acre.

(7) That the only extravagant claims or willful misrepresentations made to settlers in the Imperial valley were made by federal soil experts and officials of the reclamation service.

(8) That the settlers were not misinformed men, or misled by the company, but were and are experienced farmers who have made much money from their holdings from the very first.

(9) That the enterprise was not visionary in character but on the contrary that the actual accomplishment has surpassed every dream of the original management, and will indeed some day justify the more sanguine estimate of future values contained in a subsequent paragraph of the message from which the foregoing paragraphs are quoted.

I note also the following paragraph of the message in the press dispatches:

> "The first heading of the canal of the California Development Company was made in the United States immediately north of the Mexican border. It was found after a time that the heading on the American side of the line did not give a grade to furnish sufficient flow of water and after headings had been opened at other points without successful results, a cut in the river bank was made further down in Mexican territory. This gave the water a shorter and steeper course toward the valley. The making of this cut in a bank composed of light soil above a depression such as this without controlling devices was criminal negligence. This short cut on Mexican soil was made in the fall of 1904. It was gradually eroded by the passage of water and in the spring of 1905 the floods of the Colorado river entering the artificial cut rapidly widened and deepened it until the entire flow of the river was turned west down the relatively steep slope into the Imperial valley, and thence into what is known as the Salton sink or Salton sea."

Will you permit me, with entire deference, to add that there was something other than criminal negligence involved in the cutting of the river bank in Mexico by C. R. Rockwood in September, 1904, and that it was not the result of defects in the lo-

cation or the construction of the original heading of the canal.

It is a matter of government record that the California Development Company in the spring and summer of 1904 attempted to get congress to pass a law declaring that the waters of the Colorado were more valuable for irrigation than for navigation, and that upon the recommendation of the reclamation service this attempt was defeated.

It is a matter of government record that the president of the California Development Company, irritated by the opposition of the reclamation service to the legislation sought, notified the congressional committee investigating the matter that the company would make appropriation and diversion of the water in Mexican territory in order that the company might acquire a water right under Mexican law, and obtain the aid and support from an alien power that it was unable to obtain from its own government.

It is a matter of government record that the old Imperial canal from the old intake carried throughout the summer of 1904 and up until October, 1904, when the Mexican intake was cut, more water than it had ever carried and quite ample to supply the users in the Imperial valley.

(See Clapp's report on stream measurements for 1904, Water Supply and Irrigation, paper 13, page 27, and compare with measurements in previous years.)

The conclusion follows that it was not because of the inadequate nature of the old canal that the new one was cut.

It was cut with the idea of securing a water right under Mexican laws which the Mexican government would protect against the hostile machinations of the reclamation service.

In conclusion permit me to disclaim any desire to reflect upon the relcamation service as such or upon the great work which it is accomplishing, or upon the higher officials in charge thereof who necessarily have been obliged to rely upon information furnished them at second hand by subordinates in the field.

I have the honor to subscribe myself.

Most respectfully.

GEORGE CHAFFEY.

Los Angeles, Jan. 15, 1907.

The Reclamation Service and Some of Its Activities Against Imperial Subsequent to the Soil Reports.

The following extracts are taken from a statement published by the late A. H. Heber in 1904, at which time he was President of the California Development Company.

"It will be remembered that in the winter of the present year, J. B. Lippincott, supervising engineer of the reclamation service, saw fit to question the right of the California Development Company, which has pioneered the reclamation and settlement of the Imperial Valley, to divert water from the Colorado river for the purpose of irrigating the Colorado desert. He conferred with his superiors in the reclamation service and obtained their unqualified and ardent support to defeat legislation then pending before Congress, which was in effect to declare the water of the Colorado River more valuable for irrigation than for navigation.

"The position taken by the reclamation service against this meritorious private enterprise, whether wantonly or ignorantly, has been the means of great injury to the company, to the valley, and to the people living therein.

"Immigration was checked, the settler has become disgruntled and has refused or neglected to plant summer crops as he should have done, in the face of the fact that for the past sixty days, from 30,000 to 50,000 inches surplus water has been running through the canals and ditches owned by the company and the settler, into waste places, and as much more wasted at the river; farm and ranch improvements have been stopped; the press throughout the country is publishing detrimental interviews and statements and misstatements concerning the valley, thus keeping out newcomers who had intended to locate and contribute to the development of the valley. Prior to the attack the press of the country was universally commendatious.

"Capital has ceased to flow therein; new enterprises which had been planned have been checked or entirely discouraged.

"The company has entailed and sustained enormous and irreparable loss, which was predicted by the writer before the Committee on Irrigation, by the attack made upon it. Its credit has been injured and purposely so with the hope that failure would ensue. * * * *

"I appeal to a righteous public whether or not the company is entitled to a just reward for the service rendered in creating millions of wealth in the valley where not an insect could live before; where not a man could travel without danger of losing his life.

"But where, today, through the efforts of the company, the people and the public can ride into the valley in Pullman cars, secure lodging in good hotels; where all the comforts of civilization are in evidence; where churches and school houses have been erected, comparing favorably with any community in Southern California; where education is on the rise and where man can go and secure a comfortable home at reasonable cost and support his family in comfort."

Attack by the Reclamation Service on the Imperial Valley Water Rights and the California Development Company

Early in 1904 the Redding Free Press of Shasta County, California, published a clipping from the Detroit, Michigan, Journal, which illustrated at that time the animus that was felt by the Reclamation Service Bureau of the Geological Survey. It was headed "Millions for water that is not supplied. Government engineer tells how people have been deceived."

"George Y. Wisner, the consulting engineer of the Reclamation Bureau of the Interior Department, is in his home city for a few days, after a business trip in the west which has occupied his time since last November. Concerning the reclamation work in the west, Mr. Wisner says:

"One of the biggest sensations in the west at the present in the matter of irrigation of land, is the disclosure in regard to the Imperial Irrigation Company, which diverted some of the waters from the Colorado River for the purpose of irrigating lands in old Mexico. Their ditch is about 60 miles long; as a matter of fact, it was able to utilize an old river bed, and engineering difficulties are few, but their troubles are only commencing. They got a flow of about 900 cubic feet per minute from the river, which is reduced to 450 feet at the outlet by evaporation and seepage. The result is that only enough water reaches the Mexican lands to supply 50,000 acres, but the Company has sold water rights, at the rate of $20 an acre, for 271,000 acres and has the money.

"It is a nice little clean-up for the company. They have taken in mililons; and the contracts are so drawn that the company is not responsible if the water supply is short. The water users are now kicking for water, and the company tells them plainly the supply is short. The users are looking hard into their legal rights. There is a question whether the company has any right to divert water from the Colorado River, it being a navigable stream, and no permission was obtained from the government."

The statements made by Mr. Wisner were false in every essential particular and if he did not know whereof he spoke he was not a fit person to act in any capacity for the government and should have been summarily dismissed from the service.

Political Engineer Lambasts Imperial.---Department of Fiction of Reclamation Service Still Falsifying the Facts

Imperial Daily Standard, April 4, 1907

L. C. Hill, supervising political engineer of the department of fiction of the reclamation service, is out with a characteristic attack on Imperial valley in the Pacific monthly.

As is the case with other members of the large corps of writers employed by the so=called reclama= tion service, his versatile imagination is hampered by no facts.

He is as free from the restraints of stern reality as were the visionary political engineers of his own ilk who designed the uncertain Laguna project at the cost of many millions for a small tract of land.

The falsification of facts which this eminent political engineer uses as the warp and woof of read= able fiction shows the animus of the article. It is the old, old story of the desperate determination of the service to coerce Imperial valley into coming to its relief and thus saving the Laguna dam project from becoming the most gigantic engineering failure in the history of the West.

In attempting to discredit the reclamation work of Imperial valley, on the ground that the private corporation did not build its system as rapidly as it expected to, this employe of the department for the prevention of irrigation fails to take note of worse failures of his own bureau.

He ignores the fact that in the building of the Truckee=Carson project land that had been regularly irrigated for thirty years was deprived of water, the land returned to the desert and the ruined farmers forced to desert the homesteads where they had prospered for a generation.

He fails to speak of the farmers below Yuma where the farmers were beginning to prosper and the cultivated area was spreading rapidly until the blighting touch of the so=called reclamation service fell upon them, and the land relapsed to desert and the wrecked farmers packed their few belongings in wagons and moved on to seek a land where there was no government bureau ready to sand=bag them and rob them of their last dollar.

There is no more pathetic story in all the wild West, than this, heard almost wherever the recla= mation service has obtained a foothold, of the ruin and absolute desolation brought to the irrigated farms by the politicians sent out in the name of reclamation for the ostensible object of making the wilderness to bloom, but in reality to draw fat salaries for their incompetent service, willing to sow desolation where they expected to plant homes, if only their big salaries roll on in endless procession.

L. C. Hill, Supervising Engineer of the U. S. Reclamation Service, Tries to Discredit the Imperial Valley

The April number of the Pacific Monthly publishes an illustrated article by L. C. Hill, Lippincott's successor as Supervising Engineer of the United States Reclamation Service, which is in keeping with the work of his predecessor.

We reproduce a few extracts from that article and publish them below with comments thereon in parallel columns:

"Land values went soaring; there was a huge business in water rights, and the bond issues of the corporations were readily floated in the East and on the Pacific Coast. Plans were formulated—on paper—for the rejuvenation of one million acres and the promoters were counting prospective profits amounting to many millions. In the light of our present knowledge the whole affair reads like another South Sea Island (?) bubble."

See letters from Bankers, pages 22 to 25 inclusive, for a refutation of these statements, which are wild and untruthful.

"Water rights were sold far in excess of the capacity of the main canal and the merry game of "frenzied finance" was played to the limit."

Read bankers' letters again in answer to this.

"No controlling works were provided and this temporary expedient finally brought about a catastrophe which now spells bankruptcy to the company and total loss of property to the settlers. It is said that Mexico was not informed of this new heading, and it is to be hoped that this is true, for it was a criminal piece of work."

And the Reclamation Service is responsible for the conditions which forced this state of affairs. See George Chaffey's letter page 27.

"Perhaps it should not be the source of wonderment that the men whose criminal carelessness had brought all this trouble on the valley were not able to appreciate the task before them."

It did take the management a little time to realize the fact that they had to fight the Reclamation Service.

"With the destruction of the brush dam, the old California Development Company passes from the scene of activities for the present. The prospective millions are gone also."

Perhaps, but with the continued and unreasonable opposition of the Reclamation Service, the settlers of the Imperial Valley are becoming united in their work to take care of themselves. See action Imperial Chamber of Commerce, pages 40 and 41.

"The ruin of the valley meant enormous loss of freight receipts, for, although in the infancy of its development, the wonderful crop yields had made this region the third largest shipping point in Southern California."

To be destroyed by the Reclamation Service, if possible,

"In a few months, part of New River had been transformed into a canyon forty feet deep, 1,500 feet wide and sixty miles long. In a year the river had excavated four Panama Canals."

A wild statement—like all the rest of the statements that emanate from that source; statements that ten thousand settlers in the valley know to be untrue.

"It engulfed a town, destroyed a railroad and swallowed 40,000 acres of land."

Another wild statement made for effect. No town was engulfed and not over 1,000 acres of Imperial land was damaged.

"In places the down rushing waters tumbled over precipices forty feet high, veritable Niagaras, or dashed madly between high precipitous walls in a succession of foamy rapids. At such points the river cut back rapidly, sometimes at the rate of three-quarters of a mile a day. It was this back-cutting which caused the settlers most concern and which constitutes the greatest present menace to their homes and property."

Trying to create public sentiment in favor of the Reclamation Service and scare the settlers of the Valley to such an extent that they will surrender and turn all their property rights over to the Reclamation Bureau. But they won't. See I. W. Gleason's Report, pages 8, 9 and 10.

"Ruin will come from the rapid deepening of the canal which supplies their small ditches."

At least the Reclamation engineers hope so; as is evidenced by the tone of an article by L. C. Hill, Supervising Engineer U. S. Reclamation Service, published in Pacific Monthly for April, 1907.

"There is a limit, however, to the amount of money and effort which any corporation will expend on work so formidable and uncertain."

A valley valued at $25,000,000, or, to accept President Roosevelt's estimate, $500,000,000, is worth saving, and the limit for that work is not yet reached. If the Reclamation Service gets hold of it, then it will be time to look out.

"The permanent works upon which the future of the Imperial Valley alone can rest safely cannot be erected near the international boundary or in Mexico. We might as well look the situation squarely in the face. There has been too much inclination in the past to shut our eyes to facts. The unvarnished truth is that Imperial Valley will never be free from the horror which hangs over it today until the Colorado River is checked by a structure, with both ends in solid rock, and its banks protected for many miles by the most perfect levees ever made."

The tenor of the entire article leads up to this position. The Reclamation engineers said the runaway Colorado river could not be controlled. They were mistaken. They say the Laguna dam will stand. They may be mistaken again.

"For several years the Reclamation Service has been engaged in preliminary surveys of various reservoir sites, in making borings for bed rock, and in measuring stream flow."

Yes. See statements regarding the Arthur P. Davis report in L. M. Holt's letter to President Roosevelt, pages 16 and 17.

"The work of the Reclamation Service now under way for the irrigation of lands in and around Yuma constitutes an important unit in any comprehensive project to reclaim Imperial Valley and adjacent areas in Mexico. Laguna dam, ten miles northeast of Yuma, is admirably located. Its site is where the river has cut through a natural dyke of granite, so that both abutments of the dam are in solid rock and the river can never cut around them."

Yes. See Annual Report of I. W. Gleason, President of Imperial Water Company No. 7, on pages 8 and 9.

"While it is impossible to furnish an estimate now of the cost of enlarging the Yuma project to this extent, the very large area which would be reclaimed justifies the statement that the cost would not be too burdensome. It would certainly be less than settlers under several other projects have willingly obligated themselves to pay."

The settlers and land owners under the Laguna dam don't think so. See Gleason's report again—pages 8 and 9.

"The question has been asked why the settlers of Imperial Valley, who have already paid once for the water to irrigate their lands, should be required to pay again, and why the Government should not furnish it to them gratis. You might as well ask the Government to reimburse the man who bought a gold brick."

That may be true, but the settlers of the Imperial Valley do not propose to purchase a gold brick from the Reclamation Service.

"We have conditions elsewhere in the West very similar to those now existing in the Imperial Valley, where the people, the real home-builders, have bought and paid for water rights which did not carry any water. Afterwards they came to the Government for aid. They did not seek reimbursement of the money so expended. The rights were valueless, and they entered into an agreement with the Government to purchase new ones, mortgaging their lands to the Government as security for the repayment of the cost of the irrigation works."

If the Reclamation Service will keep their hands off, the settlers of the Imperial Valley will not need any help.

"A similar opportunity may be offered to the Imperial Valley settlers if Congress makes provision for the Government to take charge of the work."

Not if the settlers of the Imperial Valley understand themselves, and we think they do.

"You must live in the desert to realize the position of those who dwell in Imperial Valley. Here is an absolute desert, a great bowl sunken 200 feet below the level of the sea and covering 2,000 square miles. It is almost rainless, and hotter than Sahara. It has no wells. An artificial civilization has been built up in the midst of what was once awful desolation, a civilization dependent for its very breath of life upon a slender thread of water. Snap that thread and life is no longer possible. Disconnect the valley from the thread and civilization vanishes and the desert once more claims its own."

Keep that Reclamation Service out of the Valley and there is no danger of snapping the thread. If Congress does not keep them cut, the settlers will.

And now, finally if the dam and levee on the Colorado river stand, the Imperial canal system will stand without any outside help or interference. If they do not stand, the Reclamation Service can do the Valley no good, for the channel of the Colorado river will deepen up past the Laguna dam, and it will go out, and all the Reclamation engineers in the world cannot save it. If the Imperial Valley and Southern Pacific Company cannot make good their dam and levee along the river, the Reclamation Service need not try to help in saving it.

J. A. Graves, Vice President of the Farmers and Merchants National Bank in Speaking of the Los Angeles Bank Clerks Banquet, Thursday Evening, April 11, 1907, Said in Part:

I recently spent a few days in the Imperial Valley, and assure you that an empire has been opened up in that section, without the knowledge of most of our people. When all the lands in this valley are irrigated, it can supply Southern California and many eastern markets with beef, mutton, pork, fruits and vegetables.

The Attempt to get Congressional Legislation Removing Possible Question of the Imperial Water Rights and the Defeat of the Bill by the Reclamation Service

While the bill was before Congress in April, 1904, declaring that the waters of the Colorado river were more valuable for irrigation than for navigation, Congressman Bell of California, a member of the Public Lands Committee, while discussing the bill before that Committee said:

"I believe that the sooner Congress legalizes the diversion of water from that river by American citizens for American soil, the better off we will be. We do not know how soon a diversion may be made from some point on Mexican soil —not necessarily by Mr. Heber's Company, but by some other great corporation, and then a prior use of that water set up as an obstacle to our using it on American soil."

"Four years ago this spring the first settlers went into the Colorado desert, into this Imperial valley. Before that, there was no living creature—insect, bird or beast—that could live upon the Colorado desert. Now we have over ten thousand people in that desert. We have churches and school houses and banks, factories, railroads, —everything that civilization can bring to the country, and it has been done by private enterprise. This great enterprise, instead of being discouraged, should be encouraged, and we should come to its relief. We should act justly and equitably, man to man, with it upon pure principles of equity, not with any intention that we may sometime discourage an enterprise. The reclamation service may see fit to absorb it. **I say, all credit to these men who have gone in there.** I do not care how many millions they make if they are not oppressive. I do not want to see them oppress settlers. **It was a gamble for this set of men to go in there and do what they have done; it was more than a hundred to one against them,** and if they make money they deserve it, and should not be discouraged. I believe in encouraging private enterprises—in taking up their schemes if they are as good as this one."

A WORD FROM THE CHAIRMAN

When Congressman Bell closed his remarks, **Mr. Mondell of Wyoming, Chairman of the Committee, said he heartily agreed with everything that Mr. Bell had said, and other members of the Committee congratulated Mr. Bell and assured him that their views coincided with his.**

A WORD FROM NEBRASKA

Mr. Hitchcock, of Nebraska, an influential Democratic member of Congress, said:

"It seems preposterous to me that Congress should now be allowed to strike down this great corporation that has done this civilizing work and permit the government to acquire it, when **the government heretofore has proved to be absolutely incompetent to do the work.** If such a precedent ever is established, it will seriously depress the industrial development of the Western country."

Mr. Williamson, of Oregon, said:

"The reasons which control my position on the repeal of the desert land laws control me regarding this measure. I am in favor of private enterprises. Mr. Bell expressed my views perfectly. I have just told Mr. Heber that I want him to understand and want the people of California to understand that **this committee is not going to permit a few agitators to injure his property, or retard the great work that his company is doing.**"

Mr. Vanduzer, of Nevada, said:

"Private enterprise has made the West. Everybody who knows anything knows that. As a democrat, I am against monopoly, **but I am in favor of supporting men who have the courage and foresight to do the things the California Development Company has done. It has done enduring work, and Congress is obligated, by every consideration of justice and fair pay, to see to it that no obstacle is thrown in the path of its development.** I am in favor of permitting that company to have all the water it needs to irrigate the Imperial Valley."

The above extracts are taken from a special dispatch from Washington to the Los Angeles Times of April 11, 1904.

Miscellaneous Statements by the Press

THE GOVERNMENT CLOUDS THE TITLE

The San Francisco Chronicle, in two separate articles during April, 1904, makes use of the following language:

"**It has remained for the United States to cloud the title to this water.** * * *

"There is little danger to the company from this aspect of the case, but it was improper for the United States to even cloud the title of a meritorious enterprise.

"The Imperial Company has appealed to Congress not only to legalize its diversion of the waters of the Colorado, but to declare the rights of irrigation to be paramount to those of navigation." * * *

"Congress has disposed of the controversy in regard to the diversion of the water of the Colorado river by the Imperial colony, by referring the matter to the Secretary of the Interior for investigation and report. The reference is a very unfortunate one, as it virtually commits the "investigation" of a controversy to the aggressive party in that controversy, and the nature of the "report" may be safely predicted.
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"It is the theory of the National Irrigation Act that the Federal Government shall undertake irrigation projects too costly to be attempted by other agencies—**not to interfere with and attempt to destroy local enterprises well under way."**

LIPPINCOTT FIGHTS THE IMPERIAL SETTLERS

J. B. Lippincott was connected with the Reclamation Service during 1904, and was the leader in the move to have the government take away the water from the Imperial settlers and put it in the hands of the Reclamation Service. The Redlands Daily Review, in speaking of this situation, says:

"And to add to their discomfort and to the worry of those who did get water enough, and whose crops are doing well, **the old fight between Engineer Lippincott, of the Government's force, and the Imperial Land Company has reached an acute stage.** Mr. Lippincott says the Land Company has diverted the water from the Colorado river in violation of law. In consequence, Mr. Heber of the Land Company has gone to Washington and is attempting to put an act through Congress that will legalize the action of taking water from the river and will thus relieve that part of the situation."

MORE USEFUL FOR IRRIGATION THAN FOR NAVIGATION

While the bill providing that the waters of the Colorado river were more useful for irrigation than for navigation was before Congress, the press of Southern California was practically a unit in declaring that the bill should pass. The Los Angeles Daily Herald, in May, 1904, says:

"A good beginning has been made in this enterprise. **The development company early obtained the written assent of the then secretary of war—the Colorado being a navigable stream—to the use of the waters of the river for irrigation purposes.**

"The company filed on 500,000 inches of water of the flow of the Colorado river, and immediately commenced the work of construction to make that filing good. The water was claimed for a beneficial purpose—to be used in reclaiming and making valuable a vast tract of the then worthless lands belonging to the government and converting that desert waste into homes.

A portion of the water was to be used also in reclaiming a large tract of naturally very fertile land below the line in Lower California.

"What was the result? The Imperial settlement grew more rapidly than the company was able to extend the system of distributing canals and supply the water. **During the past three years over 700 miles of irrigating canals have been built and it has required more money than the company could temporarily command to do that work.** New head gates at the head of the main canal on the Colorado river had to be built in order to supply the ever-increasing call for more water; and **just as the company was entering the market to secure more funds to complete the work the government employes having in charge the work of constructing irrigation works by the government filed on all the surplus waters of the Colorado river, which had the effect of throwing a cloud over the company's title.** This, of course, interposed an obstacle to the progress of the company's plans, and it was for the purpose of removing the obstacle that the bill to quiet title was introduced.

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"Passage of the bill to quiet title will remove the one obstacle to the consummation of the company's plan. Congress should give its assent not only to assist those who are turning the arid desert into a fertile garden, but to **protect the 9,000 settlers who have already secured rights under the system."**

HOSTILE TO THE AMERICAN SPIRIT

A Washington correspondent of the Los Angeles Times, under date of April 6, 1904, writes:

"I do not think I exaggerate when I state that the proposition advanced by the opponents of the measure is hostile to the American spirit, subsersive of American institutions, and fatal to the progress and prosperity, not only of California, but of every section of our common country.

"When divested of the specious arguments that envelop it, the proposition made by the opponnents of the bill is little less than an expressed determination to revive in this country the idea of paternalism in government, to stifle individuality, to undermine the genius and industry of the people and to dampen the spirit of initiative and originality that has made this nation great. * * *

"As I read the testimony given before the Congressional Committee regarding the work done in the Imperial Valley, the thought came home to me with tremendous force that here was another illustration of that characteristic American enterprise that has made this nation strong and comely in the eyes of the world. **It seemed almost incomprehensible that any American, and especially any Californian, could fail to appreciate the purpose and spirit that animated the California Development Company, or could now, when that company is in a fair way of reaping the just reward of its patient labors, attempt to strike down that corporation and paralyze its beneficent energies."**

INTERIOR DEPARTMENT SHOULD BE REFORMED

The San Francisco Call says:

"Millions are now in its (the interior department's) possession to build irrigation works, and it has the power of withdrawal of desert lands in anticipation of covering them with water. Costly works are under way. Contractors have to be dealt with. The people who will finally take the irrigated lands expecting to return to the government the cost of putting them under water are vitally concerned in the methods pursued and the expense incurred. These operations of the government suspend private enterprise. We have already seen the effect of this on the Colorado river. **The interior department has filed on all of its water, destroying a large amount of private capital encouraged to irrigate the Colorado desert from that river by the assent of the war department, which has jurisdiction of meandered streams.** If the Colorado is meandered as navigable, the government has no right to file on all its waters for irrigation. If it is non-navigable, the government has no right to file on it at all, for the non-navigable waters are under state and local control entirely. So, in the prosecution of government irrigation, the people find an added reason why the manners of officialdom should be mended, and its ways be made to conform to the private rights o honest men."

Appeals to the President to Stop the Knocking---Imperial Chamber of Commerce Takes Action on Attitude of the Reclamation Service and the Claims on Mexico

The Imperial Daily Standard of November 22, 1906, under the above heading published the following: "The Imperial Chamber of Commerce has taken action on the continued opposition of the reclamation service to this valley, which has taken its last form in inciting trouble with Mexico by inducing damage claimants to file their claims against the Republic of Mexico. At a meeting of the directors of the chamber last evening the following personal appeal to President Roosevelt was adopted and ordered transmitted to him:

Imperial, Cal., Nov. 20, 1906.

Mr. Theodore Roosevelt,

President of the United States,

Washington, D. C.

Dear Sir: The Imperial Chamber of Commerce directs that the following facts be laid before you:

Imperial valley is a section of the Colorado desert which has been reclaimed by the use of the water of the Colorado river.

The first work on this irrigation system was done in 1900. Up to that time the section was the most forbidding desert in this country. Until long after the private corporation which owns the main canals began this work of reclamation no competing work was contemplated by the government or by other interests.

In good faith about ten thousand people have come into this valley to make their homes. In six years from this forbidding desert they have wrought out 125,000 acres of productive farm land, and they are proceeding further with work of reclamation.

This is a law-abiding people and it has been believed by them that they were proceeding in accordance with the best ethics, the highest law and the most perfect polity in thus making homes for themselves on this waste land, now becoming a veritable garden.

But from an early day this people has been beset by representatives of the government, who have lost no opportunity to throw obstacles in the way of advancement.

The first serious offense to this valley was committed by the bureau of soils, which made a hasty survey of the valley and issued and widely circulated **a report which pronounced a vast body of land worthless. That land is today producing from eight to twelve tons of alfalfa per acre a year and other crops in proportion.**

In this condemned valley, but six years from absolute desert, there are now **40,000 acres of alfalfa and 85,000 acres of grain and other crops. There are 20,000 head of beef cattle, 4,000 milch cows, 150,000 hogs and much other stock, while the annual production of commodities for shipment reaches $2,000,000.**

This valley had barely recovered from the serious set back the soil report gave it when the reclamation service began an agitation to take this section into the Laguna dam system, now under construction by the government. This proved futile, and it probably always will remain outside of the government works, because the topography of the country makes it necessary to bring the water through a strip of Mexican territory; and, further, because the construction

of the irrigation system has proceeded so far that **government aid is not needed.**

From the standpoint of the Laguna dam project, it apparently seems to the reclamation service essential that this valley be barred from getting prior claims to the water of the Colorado river, and hence the opposition. But we contend that justice is of greater importance than policy, **and having first proceeded to use the water of that stream common justice demands that we be permitted to continue to do so,** even if this should render the Laguna dam project of the government useless.

This agitation for impossible government ownership again held back the development of the valley, and before it had recovered the Colorado river broke from its bed and flowed into the Salton sink, continuing to flow in that way for two years.

During those two years the settlers in this valley had enough to contend with from natural forces, but **added to these were the persistent attacks from members of the reclamation service,** who maintained that this river could not be controlled without government aid through Laguna dam. An illustration of this was Engineer Mendenhall's article in the North American Review for August. The constant and pernicious "knocking" this valley received by the reclamation service continued on this line up to the time the river was brought under control a few days since—within three months after Mr. Mendenhall had declared the efforts to control it were not worthy of consideration.

When the battle with the river was finally ended the people of Imperial valley were naturally jubilant. They felt that the time had come when they could proceed with the creditable work of building up the institutions of their country without interference.

But once more they were dissappointed. **Once more representatives of the reclamation service were on hand with a scheme for blocking the progress of this section.**

Along the channel the water had followed in flowing into Salton sink is the least developed portion of the valley, and there a number of land claimants had suffered damage by the flood water.

These people had a natural recourse for damages against the company which had cut the bank of the river, but **they were persuaded to file their claims for damages against the Republic of Mexico, instead of against the corporation, even though the corporation admitted that it alone is liable for damages.**

At least one engineer of the reclamation service is known to have taken a personal hand in inducing these people to file the claims against the Mexican republic, which from the first has shown a most friendly attitude toward this irrigation enterprise, and those who have been most active in promoting this policy are men known to work intimately with the reclamation service.

Among these claims which the state department has been asked to file against the sister republic are some in which the damages alleged were actually sustained, but **there are others in which holders of homestead claims, undeveloped and without water rights, are demanding thousands of dollars, though their homesteads do not represent an investment of $100 each.**

The result of this demand on the Republic of Mexico, an innocent party, is what was anticipated by many persons and what we believe was **the real design of the promoters of the idea, causing the Republic of Mexico to look with less friendly attitude on this irrigation project and threaten the revocation of privileges granted.**

The few advocates of demanding damages from Mexico have gone to the length of talking **of the invasion of Mexico and the taking by the United States of Mexican territory.**

Such an attitude is naturally greatly to the detriment of this valley, and though apparently designed to once more block progress here, it has not yet been successful.

As was said above, we are a law-abiding, patriotic people. We are ready and willing to fight natural forces until we conquer them, but **it is humiliating in the last degress to feel that we are antagonized by our own government at every turn we make in what we believe to be laudable work.**

We recognize in you, Mr. President, a sturdy American who loves justice and fair play, and because we feel that you alone can call off those departments of the government which for five years have contested us at every stage of our work, we have decided to appeal to you directly and ask your personal assistance, firstly in seeing that this antagonism to us by the government is ended, and secondly in seeing that no steps be taken in defiance of justice such as supporting these demands on Mexico designed to bring on this reclaimed section the ill will of our sister republic.

H. L. PECK, President.

Attest—H. N. DYKE, Secretary.

Message on the Imperial Valley Situation Sent to Congress on January 12, 1907, by President Roosevelt

The Governor of the State of California and individuals and communities in Southern California have made urgent appeals to me to take steps to save the lands and settlements in the sink or depression known as the Imperial valley or Salton Sink region from threatened destruction from the overflow of the Colorado River.

The situation appears so serious and urgent that I now refer the matter to Congress for its consideration, together with my recommendations upon the subject.

Briefly stated, the conditions are these:

The Imperial Valley, so called, in San Diego County, Cal., includes a large tract of country below sea level. Southeast of the valley and considerably above its level is the Colorado River, which flows on a broad slightly elevated plane, upon which the river pursues a tortuous course, finally entering the Gulf of California. The lands in the Imperial Valley are 300 feet or more below the level of the Colorado River. Down as far as the border they are protected from inundation by low-lying hills. South of the boundary in the republic of Mexico, the hills cease abruptly and only the broad low mud banks of the river protect the valley from being converted into an inland sea or lake. In order to get any water to this tract of fertile land, or on the other hand to protect it from too much water, works of supply or of protection must be built in Mexico, even though they may lap the river in the United States. The United States can neither aid nor protect the interests of its citizens without going upon foreign soil.

Nature has through many centuries protected this great depression from overflows, but the restless river has annually threatened to break through the banks. Only a little human aid was needed to cause it to do so. This condition has been long known and through many years schemes have been discussed either to convert the Salton Sink area into a lake or to irrigate the desert lands below sea level by making a cut in Mexico through the west bank of the Colorado. It was also well understood that if the cut in the bank was not carefully guarded the river would quickly get beyond control. Finally, after many trials, the California Development Company actively undertook the work. To insure the safety of the Imperial Valley, the head of the canal on the river was first placed on United States territory, near where the river was bounded by hills. The canal then swung southwest and west away from the river through Mexican territory to connect with the natural depressions leading to the valley and back into the United States. The organizers of this company, in order to carry on the work in Mexico, acting under Mexican laws, caused to be created a subsidiary company.

***The money thus obtained from settlers was not used in permanent development, but apparently disappeared, either in profits to the principal promoters or in the numerous subsidiary companies which to a certain extent fed upon the parent company or served to obscure its operations. The history of those deals is so complicated that it would require careful research extending through many months to unravel the various ways by which the money and the securities have disappeared. In brief, it is sufficient to state that the valuable considerations which were received from water rights were obviously not used in providing necessary and permanent works for water to the settlers. Concessions were granted to this company by the Mexican government and**

*See George Chaffey's Letter to President Roosevelt—page 26.

provision was made for the employment of a Mexican engineer to be appointed by the Mexican government to see that the project was properly carried out. The dangerous character of the attempt was thus recognized in this concession.

*The California Development Company began its work by making representations to possible settlers of the great profits to be derived by them by the taking up of this land. †The claims were not only extravagant, but in many cases it appears that willful misrepresentations were made. Many of the operations of this company tended to mislead uninformed settlers. At first the success of the company was great and it disposed of water rights at prices sufficiently large to obtain fair revenue, either in cash or in securities of value.

*The whole enterprise and the spirit of those promoting it as well as of the numerous smaller speculators attracted to the subsidiary offer were of the most visionary character. Actual investments have been small compared to the estimates of wealth which seemed possible of realization. The company entered upon its construction work with large plans, but with inadequate capital. All of its construction for the control and distribution of water were temporary in character, being built of wood and of the smallest possible dimensions. Through the efforts thus made a large amount of land was brought under cultivation and at one time it was reported that 100,000 acres were more or less irrigated.

*The first heading of the canal of the California Development Company was made in the United States immediately north of the Mexican border. It was found after a time that the heading on the American side of the line did not give a grade to furnish sufficient flow of water and after the heading had been opened at other points without successful results, a cut in the river bank was made four miles farther down in Mexican territory. This gave the water a shorter and separate course toward the valley. The making of this cut in a bank composed of light soil above a depression such as this without controlling devices, was criminal negligence. This short cut on Mexican soil was made in the fall of 1904. It was gradually eroded by the passage of the water, and in the spring of 1905 the floods of the Colorado River entering the artificial cut rapidly widened and deepened until the entire flow of the river was turned west, down the relatively steep slope into the Imperial Valley, and thence into what is known as the Salton Sink, or Salton Sea.

*See George Chaffey's Letter to President Roosevelt—page 26.
†See L. M. Holt's letter to President Roosevelt—page 16.

After the mischief became apparent strenuous efforts were made by the California Development Company to close the break, but without success. Finally, the Southern Pacific, finding its tracks imperiled and traffic seriously interfered with, advanced money to the California Development Company, receiving as security a majority of its shares of the company, and thus took charge of the situation.

By means of the facilities available to the Southern Pacific, the break in the west bank of the Colorado River was closed on November 4, 1906. A month later, however, a sudden rise in the river undermined the poorly constructed levees immediately south of the former break, and the water again resumed its course into the Salton Sea.

The results have been highly alarming, as it appears that if the waters are not checked they will cut a very deep channel, which progressing upstream, will result in conditions such that the water can not be reverted by gravity into the canals that are built along the Imperial Valley. If the break is not closed before the coming spring flood of 1907, it appears highly probable that all of the property values created in this valley will be wiped out, including farms and towns. Ultimately the channel will be deepened in the main stream itself up to and beyond the town of Yuma, destroying the homes and farms there, the great railroad bridge, and the government works at Laguna dam.

It is impossible to estimate how many people have settled in this valley, the figures varying from six thousand to ten thousand. It is also difficult to ascertain how much money has actually been expended in real improvements. Town lots have been laid off, sold at auction, and several hundred buildings erected in the various small settlements scattered throughout the tract. Some crops have been raised and under favorable conditions the output in the near future will be large.

The actual amount of tangible wealth or securities possessed by these settlers today upon which money can be raised is believed to be very small. Nearly all individual property has been expended in securing water rights from the California Development Company. It is evident that the people have slender resources to fall back upon, and in view of that, are practically helpless. The California Development Company is also unable to meet the exigency.

The complications which have arisen from the transfer of the property and the involved relations

of the California Development Company, with its numerous subsidiary companies, are such that the United States would not be justified in having any dealings with this company until the complications are removed, and the government has a full understanding of every phase of the situation.

It has been stated that the California Development Company has not the financial strength to repair the break and to restore the bank of the Colorado river to such permanent condition that a similar occurrence cannot happen. It is further understood that the Southern Pacific Railway Company, having expended $2,000,000 or more for the protection of its interests, declines to furnish more money to the California Development Company to save the Imperial Valley beyond controlling the present break in the river bank. The ownership of the property in Imperial Valley, both farmers and towns-people, together with the Southern Pacific company, and the California Development have combined to call upon the government to assist the California Development Company to the extent of erecting permanent works to insure protection in the future.

If the river is not put back and permanently maintained in its natural bed the progressive backcutting in the course of a year or two will extend upstream to Yuma, and finally to the Laguna dam, now being built by the government, thus wiping out millions of dollars of property belonging to the government and to the citizens. Continuing further, it will deprive all of the valley lands along the Colorado River of the possibility of obtaining a new supply of water by gravity canals.

The great Yuma bridge will go out, and approximately 700,000 acres of land as fertile as the Nile Valley will be left in a desert condition. What this means may be understood when we remember the entire producing area of Southern California is about 250,000 acres. *A most conservative estimate for full development must place the gross product from this land at not less than $100 per acre. If the break in the Colorado is not permanently controlled the financial loss to the United States will be great. The entire irrigable area which will be submerged or deprived of water in the Imperial Valley and along the Colorado River is capable of adding to the permanent population of Arizona and California at least 350,000 people and probably 500,000. Much of the land will be worth from $500 to $1,500 an acre, or a total from $350,000,000 to $700,000,000.

*See L. M. Holt's letter to President Roosevelt—pages 15 and 16.

The point to be especially emphasized is that prompt action must be taken, otherwise the situation may be so extreme as to be impracticable of remedy. The history of the past attempts to close the break in the river has shown that each time, through delay, the work has cost double or treble what it would have cost had prompt action been taken. It is probable now that with an expenditure of $2,000,000 the river can be restored to its former channel and held there indefinitely, but if this action is not taken immediately, several times this sum will be required to restore it, and possibly it cannot be restored unless enormous sums are expended.

At the present moment there appears to be only one agency equal to the task of controlling the river, namely, the Southern Pacific Company, with its transportation facilities, its equipment and control of the California Development Company and subsidiary companies. The need of railroad facilities and equipment and the international complications are such that the officers of the United States, even with unlimited funds could not carry on the work with the celerity required. It is only the fact that the officers of the Southern Pacific, acting also as officers of the California Development Company, have been able to apply all its resources for the transportation, motive power and the operation of the road that has made it possible to cope with the situation to the extent that has already been accomplished. The Southern Pacific Company is now reported to be working strenuously to fill the break through which the Colorado River is flowing westward to the Salton Sea, and is repairing levees to keep out the high water due next March. Further construction is necessary, and all necessary temporary work must be replaced by permanent structures. It is estimated that for this additional work $2,000,000 should be available. The question as to what sum, if any, should be paid to the Southern Pacific for work done since November 4, 1906, is one for future consideration; for work done prior to that date no claim can be admitted.

But one practicable course is now open for consideration. The Southern Pacific Company must continue its work to close the break and restore the river to its proper channel. The United States can then take charge making the protective works permanent and providing for their maintenance.

It is not believed that a free gift of this money should be made, as by its investment the stability of property of great value will be secured and the

increase in land values throughout the Imperial Valley will be sufficient to justify the provisions that this money should be returned to the government.

The reclamation service should be authorized to take steps at once for the construction of an irrigation project under the terms of the Reclamation Act for the lands in the Imperial Valley, and in the lower Colorado River Valley. The service should be in position to proceed actively with the organization of the project and the construction of works as soon as the condition in regard to the protection of the valley against overflow will justify expenditures for this purpose.

To accomplish this, the United States should acquire the rights of the California Development Company and its subsidiary corporations in the United States and Mexico upon such reasonable terms as shall protect the interests of the government and of water users. The United States should obtain by convention with Mexico the right to carry water through that country upon reasonable conditions.

Most of the land in the Imperial Valley has been entered under the terms of the Desert Land Act of the homestead laws, and title has not passed out of the United States.

The construction work required would be: The main canal, some sixty miles in length from Laguna dam into the Imperial Valley; the repair and partial construction of the present distribution system in the valley, and its extension to other lands, mainly diversion dams and distribution systems in the Colorado River Valley, and the provision for supplementing the natural flow of the river by means of storage reservoirs as may be necessary. This would provide for the complete irrigation of 400,000 acres in the Imperial Valley and for 400,000 acres additional in the United States in the valley of the Colorado in Arizona and California.

The reclamation fund now available has been allotted for projects under construction, and the anticipated additions to the fund for the next few years will be needed to complete these projects. It will therefore be impossible to construct the reclamation project in the Imperial Valley with the funds now in hand, and it will be necessary for Congress to make specific appropriation for this work if it so desires to undertake it.

Such appropriation will be so expended for a project carried out under all the provisions of the Reclamation Act, requiring the return to the reclamation fund of the cost of the construction and maintenance of the irrigation works, and there should be the further requirement that the cost of the protective works and their maintenance be repaid.

The interests of the government in this matter are so great in the protection of its own property particularly of the public lands, that Congress is justified in taking prompt and effective measures toward the relief of the present situation. No steps, however, should be taken except with a broad comprehension of the magnitude of the work and with the belief that within the next ten years the work and development will be carried out to their full proportions.

The plan in general is to enter upon a broad, comprehensive scheme of development for all the irrigable lands upon the Colorado River, with needed storage at the headquarters, so that none of the water of this great river which can be put to beneficial use will be allowed to waste. The Imperial Valley will never have a safe and adequate supply of water until the main canal extends from the Laguna dam. As each end of this dam is connected with rock bluffs it provides a permanent heading founded on rock for the diversion of the waters. Any works built below this point would not be safe from destruction by floods and cannot be depended upon for a permanent and reliable supply of water to the valley.

If Congress does not give authority and make adequate provision to take up this work in the way suggested, it must be inferred that it acquiesces in the abandonment of the work at Laguna, and of all future attempts to utilize the valuable public domain in this part of the country.

THEODORE ROOSEVELT.

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